Trade
of the African Sub-Continent

By G. R. STEVENS
Canadian Government Trade Commissioner in South Africa

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OTTAWA, CANADA
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1928

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TRADE OF THE AFRICAN SUB-CONTINENT

I

General

Cape Town, March 31, 1927.—The phrase "African sub-continent" is customarily used to describe that portion of Africa which lies south of the Equator. Curiously enough, this area is not only a geographical but, in some degree, an economic unit. The Equator does not exactly bisect Africa in an economic sense; Uganda, which belongs properly to the sub-continent, is mostly north of the line, and a considerable portion of the Belgian Congo is likewise in north latitudes; on the other hand, a considerable strip of French Equatorial Africa, which is economically in North Africa, lies to the south of the Equator. But in each case the deciding factors in economic orientation are traffic routes, and these confirm the constitution of the African sub-continent as the following political divisions:—

Union of South Africa, Southwest Africa, Southern Rhodesia, Northern Rhodesia, Portuguese East Africa, Nyasaland, Belgian Congo, Angola, Tanganyika, Zanzibar, Kenya, and Uganda. The political disposition and the principal statistics of these areas may be summarized as follows:—

——	Political Disposition	Area sq. miles	European population	Population other	Exports £	Imports £
South Africa	British Dominion	794,547	1,538,920	5,517,399	76,018,296	61,898,988
South West Africa	South African Mandate	322,393	19,432	208,307	2,690,021	2,189,851
Southern Rhodesia	British Dominion	149,000	33,620	862,319	5,723,207	4,712,646
Northern Rhodesia	British Crown Colony	291,000	4,214	1,106,534	432,997	1,317,907
Portuguese East Africa	Portuguese Colony	300,000	unavailable	3,529,180	1,612,706	2,504,300
Belgian Congo	Belgian Colony	909,654	10,037	12,000,000	1,841,123	1,679,500*
Nyasaland	British Crown Colony	37,890	1,462	1,211,013	600,844	617,194
Angola	Portuguese Crown Colony	480,000	10,000	4,000,000	2,000,000	2,240,000
Tanganyika	British Mandate	365,000	2,447	4,121,991	3,162,996	3,206,411
Zanzibar	British Protectorate	994	270	216,520	2,029,626	1,234,015
Kenya	British Crown Colony	245,060	9,651	2,508,992	9,576,253	12,345,379
Uganda	British Protectorate	110,300	1,289	3,126,166		
Totals		4,005,838	1,631,342	38,408,421	105,688,069	93,945,891

NOTE.—This summary omits Bechuanaland, Swaziland, and Busutoland, native protectorates administered by the British Crown. Although situated within the boundaries of the Union of South Africa, they are not included in the South African statistics. They have a land area of 293,384 sq. miles and a population—almost entirely native—of 764,543.

*1922 are the latest statistics available.

(While the statistics for the Union of South Africa are given in the course of the present report, they are purely for comparison purposes: South Africa will not be discussed.)

GEOGRAPHICAL

The accompanying map shows the chief geographical divisions of the sub-continent to be the Zambesi basin, the Congo basin, and the East African Lakes divide. Speaking broadly, the entire interior of Africa south of the Equator is a high plateau with comparatively few extreme topographical features. There is a very wide diversity in water supply, however, and this materially affects the distribution and progress of population. No estimate of the percentage of arable land in the sub-continent has ever been made, but a trip overland for about 4,000 miles suggests that, between desert and swamp, a considerable proportion of Africa is of very low agricultural value. Wherever there are

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extreme topographical features, as in the Great Rift Valley of East Africa, the character of the soil improves. The areas adjacent to the main confluents of the Congo and Zambesi are likewise very fertile and high in agricultural potentialities. Where the plateaux rise, as in Nyasaland, Angola, Kenya, and Tanganyika, to 4,000 feet and over, the soil is usually extraordinarily rich. In such areas altitude corrects latitude and affords a temperate climate. These areas will undoubtedly be the seat of white settlement, and they may be regarded as the future centres of buying power in the sub-continent.

II

Production and Natural Resources

It was hoped to present statistical tables which would give a precise idea of the production and natural wealth of the various areas of the African sub-continent, together with details of the revenue and expenditure of the various divisions. Unfortunately there is too great variation in statistical practice between the various political units, and it has been found impossible to present tables which would be of any assistance in gauging the relative progress of the various territories.

SOUTHWEST AFRICA

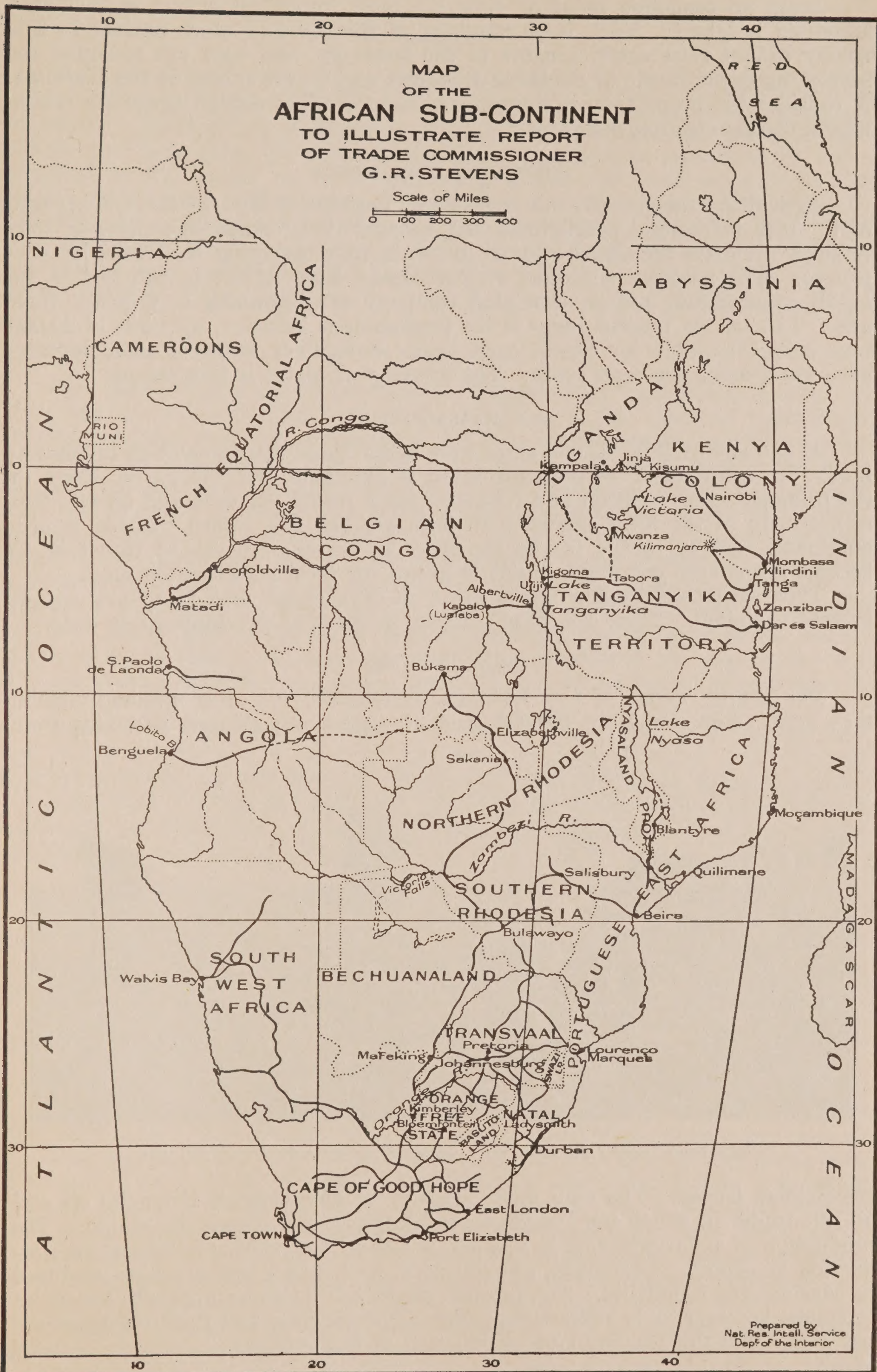
Southwest Africa is essentially a live stock country, but the dislocation resultant from the war has curtailed that industry considerably, so that now it is only approaching its pre-war importance. At the moment copper mining is the principal industry, with live stock second. Diamonds and vanadium ore are next. The mineral development seems destined to outstrip the pastoral industries. Yet the agricultural possibilities of Southwest Africa are very great, and in time the northern portion of Southwest Africa, the northern portion of Bechuanaland, and the southwestern section of Northern Rhodesia will probably be the seat of one of the world's greatest stock industries, such industry finding an easy access to the sea by way of Walfisch Bay.

SOUTHERN RHODESIA

At the end of 1925 Southern Rhodesia had 355,481 acres under cultivation. Of this area 70 per cent was in maize, 17 per cent in cotton, and 4 per cent in tobacco. The break in cotton prices has been disastrous to this industry, and it is probable that a considerable percentage of cotton land is now out of cultivation. On the other hand, under the stimulus of Imperial preference, tobacco acreage is increasing each year, and it will soon be one of the major crops. The Rhodesian live stock industry, although faced with a virtual embargo by South Africa, is increasing in importance each year; during the past year overseas export was attempted for the first time. The annual mineral production of Southern Rhodesia is valued at about four millions sterling, with gold by all odds the most important yield, followed by asbestos and chrome. Gold mining, however, is not increasing in importance in the same ratio as that of the baser metals.

NORTHERN RHODESIA

Agricultural enterprises are in their infancy in Northern Rhodesia. The most promising crops are tobacco and maize. There is an excellent small market for Northern Rhodesian live stock in the Katanga district of the Belgian Congo. The mineral development of this colony is more advanced than agriculture; at present there is a moderate production of lead by two large mining groups. This will be augmented shortly by copper and zinc production. In addition, Northern Rhodesia possesses a valuable coal field at Wankie, upon which the Katanga mines depend.


MAP
OF THE
AFRICAN SUB-CONTINENT
TO ILLUSTRATE REPORT
OF TRADE COMMISSIONER
G.R. STEVENS
Scale of Miles
0 100 200 300 400
RED SEA
NIGERIA
ABYSSINIA
CAMEROONS
FRENCH EQUATORIAL AFRICA
RIO MUNI
R. Congo
UGANDA
KENYA COLONY
Kampala
Jinja
Kisumu
Lake Victoria
Nairobi
BELGIAN CONGO
Mwanza
Kilimanjaro
Mombasa
Kilindini
Leopoldville
Kigoma
Tabora
Tanga
Ujiji
Lake Tanganyika
TANGANYIKA TERRITORY
Albertville
Zanzibar
Matadi
Kabalo
(Lualaba)
Dar es Salaam
S. Paolo de Loanda
Bukama
Lobito B.
ANGOLA
Elizabethville
NYASALAND
Lake Nyasa
Benguela
Sakania
NORTHERN RHODESIA
Zambezi R.
Moçambique
Blantyre
Salisbury
Quilimane
Victoria Falls
SOUTHERN RHODESIA
Beira
Bulawayo
SOUTH WEST AFRICA
Walvis Bay
BECHUANALAND
PORTUGUESE EAST AFRICA
MADAGASCAR
TRANSVAAL
Pretoria
Mafeking
Johannesburg
Lourenco Marques
ORANGE FREE STATE
Kimberley
Bloemfontein
NATAL
Ladysmith
BASUTO LAND
Durban
CAPE OF GOOD HOPE
East London
CAPE TOWN
Port Elizabeth
ATLANTIC OCEAN
INDIAN OCEAN
Prepared by
Nat. Res. Intell. Service
Dept of the Interior

From an economic point of view the most important export of Northern Rhodesia is labour. Very large numbers of Barotse and other natives in this colony cannot raise cattle because of the tsetse fly, and they are recruited for service upon the farms of Southern Rhodesia and in the mines of the Katanga. A considerable proportion of the more advanced tribes subsist upon the remittances of this exported labour.

PORTUGUESE EAST AFRICA

Agriculture remains the sole industry of Portuguese East Africa, not because of the lack of mineral possibilities, but because the Portuguese system of concessions prevents the discoverer of minerals from enjoying the fruits of discovery. The northern province of Portuguese East Africa is believed to be highly mineralized, and its chartered company are beginning to prospect their area. But for the present sugar is the predominant industry, upwards of 20,000 tons being available for export each year. Subsidiary crops of some importance are ground nuts and copra. The growing of maize is progressing.

NYASALAND

At the end of 1925, 63,355 acres were under European cultivation in Nyasaland. No estimate of native cultivation is available, but the native share of the principal crops—cotton and tobacco—made up 63 per cent and 33 per cent respectively of the total exports. In both acreage and return tobacco is predominant. Owing to the fall in the price of cotton, Nyasaland threatens to become a one-crop country. Maize is grown for local consumption only.

There are considerable forest areas in Nyasaland, but these are not at present exploited. There has been little or no mineral development to date.

BELGIAN CONGO

The copper mines of the Katanga overshadow all other productivity in that area. Approximately 100,000 tons of copper are shipped annually from

Katanaga Copper on the Upper Congo—En route to Dar-es-Salaam.

the Belgian Congo. The only other industry of any value is the palm oil and oil nut trades in which the British soap companies are largely interested. The production of palm products is roughly one-third the value of the annual production of copper. Diamonds, alluvial gold, lead, and ivory are also produced in considerable quantities. The present production of these minerals and palm products, however, only represent pioneer developments, and their statistics are not a fair index of the available production of this colony.

ANGOLA

Portuguese West Africa is perhaps the least developed of all sub-continental areas, although its latent riches are in no way inferior to those of contiguous territories. Peculiarities of Portuguese legislation and recurrent financial difficulties are responsible for this backwardness. At present the diamond areas adjacent to the border of the Congo Belge produce at least one-half of the wealth of Angola. Other mining enterprises are embryonic. Among crops, coffee is pre-eminent; the present production is in the neighbourhood of 4,000 tons per annum, and progress seems to be assured in this industry. Maize is the second crop, and this cereal likewise promises to be of increasing importance. Oil nuts, sugar, and tobacco are only in early stages of development.

TANGANYIKA

The almost complete destruction of Tanganyika's agriculture during the war, and the vexed political situation arising out of the grant of mandatory powers, retarded recovery, and to-day this colony is much less advanced than its neighbours. Before the war, sisal, hides and skins, cotton, and copra were its principal products. To-day sisal remains the chief crop, although its importance is diminished by the rise of coffee and ground-nuts, two crops which were relatively undeveloped under German rule. With reference to the oft-repeated claim by Germans that Tanganyika has relapsed under British occupation, it is interesting to note that even in 1924 the value of Tanganyika's export crops was twice that of 1913. Even on the basis of 1913 values, it was 25 per cent greater. Since 1924 progress has been accelerated, and in spite of the slump that has wiped cotton off as an economic crop at present, the exports for the first six months of 1926 were almost identical with those for the whole year of 1913.

Apart from agricultural possibilities, the mineral resources of the Bukoba and Mwanza districts, to the west and south of Lake Victoria, are receiving marked attention at the present. Very rich diamondiferous properties have been discovered during the past two years, in which the great South African producers are interested. Considerable development work is also being done in connection with tin deposits.

ZANZIBAR

Zanzibar stands or falls on its clove crop. Not only the Sultan's subjects but his government live by this spice. Almost the entire world's supply comes from Zanzibar. There is also a certain amount of copra gathered, but it is smoke-dried and of very inferior quality. The remaining crops are only of local importance, and there are no valuable minerals of any nature found upon the island.

KENYA

Nearly 4,500,000 acres were under occupation in this colony on June 30, 1925, and of this total 392,628 acres were under cultivation. Forty per cent of this area was in maize, 16 per cent in coffee, 13 per cent in sisal, and 6 per cent in wheat. It will be interesting for Canadians to learn that Kenya is growing her own requirements of wheat, of a quality equal to No. 1 Northern, practically upon the Equator, at altitudes between 4,000 and 8,000 feet. Both coffee and sisal appear to be lucrative in this colony, while the maize farmers are given an advantageous export rate by the Government-owned Uganda railway.

There is likewise a small and highly protected sugar industry.

In addition to primary agricultural production, the beginnings of secondary industries must be noted. There are bacon factories which supply the colony's needs, and butter and cheese factories as well. There are flour and meal mills.

From time immemorial the native population of Kenya have been cattle breeders, and their herds at present number several million head. There are several native breeds of cattle which cross with European stock to produce valuable beef animals, and an export outlet for this industry will become essential before very long.

Kenya is probably the only territory in the sub-continent which has accessible forests of commercial value. For centuries mangrove poles and logs from the coastal belt have been the return cargo for the dhows from the Persian Gulf and the Red Sea, which come down laden with rice, tiles, rugs, and dates, just before the monsoon. Inland in the Kilimanjaro area, and further up upon the Kenya Highlands, there are large stands of merchantable timber, and both hard and soft woods, constituting a valuable natural asset.

With the exception of the famous soda lake at Magadi, the mineral resources of Kenya appear to be negligible. It seems possible, however, that gold may be discovered in her western provinces.

UGANDA

Uganda is one of the great hopes of Great Britain in cotton. The total production of the crops of this colony was valued at £5,096,717 during 1925, and of this amount 94.35 per cent consisted of raw cotton and cotton seed. Coffee and rubber were the only other crops of any importance. There are considerable forest areas in Uganda which yield good hardwoods. In the southwestern districts there is mineral activity at present, and the country is overrun with prospectors searching for tin, gold, and diamonds.

CONCLUSIONS

A general survey of the natural resources of the African sub-continent reveals an astonishing analogy between the distribution of population and of natural wealth. From time immemorial the vast desert and swamp areas have co-operated with the tsetse fly to isolate the various African native communities from each other. On this account wide diversities of type and of progress are encountered between African peoples. Migration and nomadism, the two factors which more than any other have contributed to the development of the white races, have affected only the extreme north and south of the African continent. One finds tribes within a few miles of each other, one of which will be entirely meat eaters and milk drinkers and the other, which has never seen cattle, being entirely subsistent upon vegetable foods. In the same manner, the natural resources of the sub-continent are intensely localized. There are no great broad belts of land inviting intensive or co-operative agricultural enterprises. The chief agricultural areas are of unparalleled richness, but they are islands scattered in a sea of poor and waste land. This circumstance increases the difficulty of general development. In the same way the mineral and forest wealth is very localized, although hopes are now growing that the Katanga ore beds may underlie vast territories. In order to arrive at a proper appreciation of the difficulties of trading in the sub-continent, it is necessary to visualize the patchy and irregular distribution of population and natural resources.

III

Communications

WATER COMMUNICATIONS

The water communications of the sub-continent have not exerted any particular effect upon the progress of Africa. Both the Congo and the Zambezi and their confluents are with interruptions navigable for thousands of miles. Neither of these great waterways can be considered of such commercial signific-

The Beginnings of the Nile. Lake Victoria plunging over Ripon Falls to become the Nile.

ance as rivers of comparable size in other parts of the world, such as the St. Lawrence or the Mississippi or the Yangtse. The Great Lakes—Nyassa, Tanganyika, and Victoria—are navigable and will always be part of the north and south transportation system of the sub-continent; but because they are parallel to the oceans, their effect upon the development of land areas has been much less than might have been expected from such large bodies of water. A greater factor in retarding the development of Africa than the lack of continuous water systems is the tsetse fly. This insect makes animal transport impossible over vast stretches of otherwise fertile and desirable territory. Its ravages account in no small degree for the slow development of Northern Rhodesia, parts of Angola, Portuguese South Africa, Tanganyika, and Uganda. These areas have been obliged to wait for mechanical transport, and the construction of roads and railways over trafficless areas has been necessarily slow.

SOUTHWEST AFRICA AND SOUTHERN RHODESIA

The mandated territory of Southwest Africa is served by a railway system which is really a division of the South African railways, and therefore need not be discussed in this report. In the same way the railways of Southern Rhodesia, although not integral in the South African system, are to some degree an extension of that system. There is one added port, however, that of Beira, in Portuguese East Africa, which is the terminus of the Rhodesian railways. While Beira, because of certain disadvantages, is not the sole port of entry for the Rhodesias, the haul is so much shorter than from Union ports that it may be regarded as the natural port of the Rhodesias, and the Rhodesian railway system as separate from that of South Africa.

CENTRAL AFRICA

The Rhodesian system turns north from Southern Rhodesia, crosses the Zambezi at Victoria Falls, and traverses Northern Rhodesia for 519 miles to Sakania, where it joins the Congo state-owned system. Sakania is 150 miles south of Elizabethville, which is the centre of the Katanga copper fields, and

the chief distribution centre of the Lower Congo. From Elizabethville the railway continues northwards for 286 miles to Bukama. Here the Congo River steamship services begin. Bukama is likewise the southern terminal of the Central Congo railway, which is now under construction towards Kinshasa, at the top of the Congo estuary. This railway will follow the southwesterly boundary of the Belgian Congo for a distance of something over a thousand miles; from Kinshana to the sea it is already in operation. The mouth of the Congo is eight days closer to Europe than Cape Town, and sixteen closer than the present port of entry, Beira; it is also 300 miles closer to Elizabethville. This railway is only a short distance beyond Bukama at present, but when completed it will exert a great influence upon Central African trade.

Its competitor, the Benguella railway, joining the Katanga district to the Atlantic coast at Lobito Bay, is equally interesting and important. This line is being built by a British railway which holds a large interest in the copper monopoly of the Belgian Congo. Loans for its completion have been underwritten by the British Government. Lobito Bay, which is one of the finest

A Colonists' Transport in the Belgian Congo.

natural harbours in the world, is six days closer to Europe than Cape Town, and the completion of this railway will shorten the haul to Elizabethville by not less than 600 miles. Moreover, the area of Angola traversed by this railway is reported as being particularly suitable for agricultural enterprises. It is anticipated that the Benguella railway, when completed, will affect both incoming and outgoing traffic as far south as Bulawayo in Southern Rhodesia.

At Bukama the Congo River boat system begins, and it is possible to proceed down the Congo by steamer and rail service for nearly 2,000 miles, to the Lower Congo port of Matadi. On account of the vast northering sweep of the Congo, however, this trip takes twenty-three days between Elizabethville and the seacoast, and the presence of innumerable cataracts—where train services are operated—prevents this route from being of more than local economic importance.

From Kabolo, which is 400 miles north of Bukama upon the Congo (known as the Lualaba in these reaches), a railway 176 miles in length serves as a link between the river system and Lake Tanganyika, which is the eastern boundary of the Congo. A steamship service operates across the lake to Kigoma, which

is the western terminus of the Tanganyika railway. From Kigoma to Dar-es-Salaam, the chief port and capital of Tanganyika, is 772 miles. The enormous importance of the Katanga district to the remainder of Africa is illustrated by the fact that, in spite of four additional handlings between Elizabethville and the sea, approximately four-fifths of the traffic of the Tanganyika railway consists of Congo goods in transit.

EAST AFRICA

The Tanganyika railway, built by the German Government, was probably less economic than strategic in conception, since for a long distance it traverses waste territory which cannot contribute any traffic. However, subsidiary construction to the north and south is projected, which it is hoped will lessen its dependence upon the Belgian Congo. A branch is already under construction from Tabora to Mwanza at the foot of Lake Victoria, a distance of 220 miles, and one of the principal projects mooted under the recent £10,000,000 Transportation Loan of the Imperial Government is a line southwards from the main Tanganyika railway to the head of Lake Nyasa. This would tap a large highland area suited for white settlement. At the same time some junction is anticipated with the Kenya and Uganda railway, which runs parallel to the Tanganyika railway, approximately 200 miles to the northwards. This latter railway, which is the most northerly of all sub-continental lines, runs from Mombasa, the principal port of Kenya, to Kisumu on Lake Victoria, which is almost precisely upon the Equator. The main line, apart from branches, is 587 miles in length, and its extension into Uganda is almost certain to result from the Imperial Government Transportation Loan. At present Uganda is served by an adequate steamship service which encircles Lake Victoria and Kisumu in both directions.

The only other sub-continental railway which need be touched upon is the Shiré railway, from Beira to Blantyre, the principal trading centre of Nyasaland. This railway is broken at the Zambezi, but it is possible that a bridge may be built out of the Imperial Government Transportation Loan. With the Zambezi bridged, and the Tanganyika railway spur built to the head of Lake Nyasa, there will be a continuous all-British transportation system from Cape Town to Kisumu, where a British air service now picks up passengers for Khartoum and the Nile.

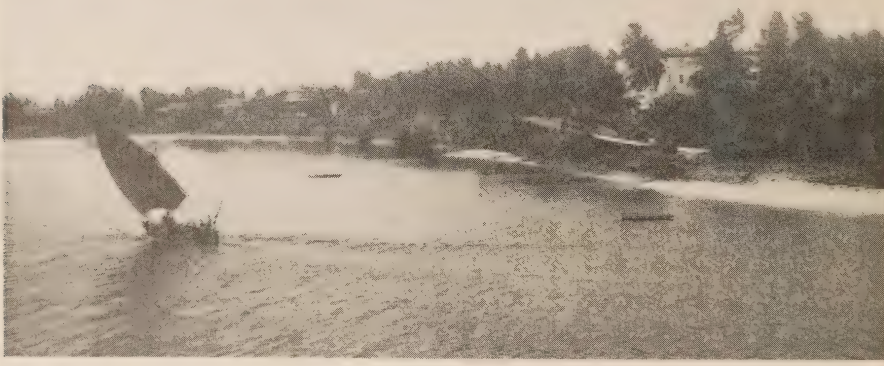
THE GREAT NORTH ROAD

It is probably possible to ride a bicycle through the heart of Africa upon the network of well-beaten paths which African caravans have used for thousands of years. But these paths are only suitable for porters carrying loads upon their heads; because of the tsetse fly no other form of transport has been possible. Exceptional interest therefore is attached to the first great African trunk road which is available for animal and vehicular traffic. From Livingstone a dirt road has been built to Abercorn at the foot of Lake Tanganyika, thence northwards through East Africa. This thoroughfare, known as "The Great North Road", is the link between the British possessions in Central and East Africa, and it may prove a significant link. It is a moderately good highway, and parties have motored down from Nairobi to Victoria Falls, a distance of 1,600 miles, in eight days. While at present this road has no economic importance, it will probably be the line of march for subsequent development in Central and East Africa.

EAST COAST RANGE OF PORTS

As has been previously pointed out, the vast arid and waste areas of South Africa militated against the development of inland centres of distribution, until the discovery of the Witwatersrand made the Transvaal a focal centre

for railways. In the same way, the commerce of the rest of the sub-continent has clung to the coast. Even to-day a very large proportion of all merchandise is distributed from ports without being railed inland. Yet the sub-continent has comparatively few first-class harbours and the old discoverers were compelled to select open roadsteads, the lees of islands, or else shallow inlets which are of little use to modern shipping. As mariners needed refitting after weathering the Cape of Good Hope (the ancient Cape of Storms), the east coast ports are much more developed than those of the west coast. Mombasa, an anchorage in the lee of a long low island, is the port for Kenya and Uganda. With the growing traffic of these colonies a new harbour with deep-water piers has been built at Kilindini on the island channel—at an expenditure of approximately two millions sterling, a first-class port has been created with all modern equipment for the handling of cargo. Tanga, 80 miles below Mombasa at the ocean terminus of the Tanga railway, is the port for the wealthy district below Mount Kilimanjara, the area of all East Africa possessing the greatest agricultural potentialities. This was the leading port of German East Africa, having over twice the trade of Dar-es-Salaam; since the war and the sequestration of German estates it has been of diminishing importance, although its recovery is anticipated. Zanzibar is an open roadstead fronting the town; deep-water



The Coast Traders—An Arab Dhow beating into Dar-es-Salaam Harbour.

piers are projected, but technical and financial difficulties are retarding their completion. Dar-es-Salaam is an almost completely land-locked harbour, an almost perfect miniature of Vancouver harbour; but ships cannot come alongside.

Beira, which is the third port of Africa, is a betwixt-and-between port. For the majority of British and Continental lines it is regarded as the last of the South African range of ports; but for American lines it is an alternative port of call. As the entrepôt for the trade of the Rhodesias, Nyasaland, and the Belgian Congo, it handles a large volume of traffic; so much that congestion often occurs. On this account, and because of recurrent labour and railway troubles, steamship companies regard it as an unsatisfactory port. The port is an open roadstead, reached through a fifteen-mile channel.

WEST COAST RANGE

As the development of the west coast of the sub-continent is much less advanced than the east coast, the west coast range of ports is comparatively

limited. Walfisch Bay is the port for the mandated territory of Southwest Africa. Its importance is increasing. The majority of European lines now call there. In time it will undoubtedly be the terminus of a Rhodesian railway, and it seems possible that within the next five years passengers and perhaps Transvaal mail will be landed there to complete the journey by air. Lobito Bay, the terminus of the Benguella railway, is not important at present, but the completion of its railway will raise it to first importance overnight. It is a wellnigh perfect natural harbour. Loanda, which is now the principal port of Angola, is a protected harbour, with a moderately important distribution behind it. Matadi, on the Congo estuary, is a protected port suitable for ocean-going vessels, the importance of which will be considerably increased by the completion of the railway from Katanga.

STEAMSHIP SERVICES

Of the three ranges of ports, Canada is directly served upon the South African range by the Elder Dempster Company, who operate a monthly service to South Africa throughout the year. This service is regular to Cape Town, Port Elizabeth, East London, and Durban, and optional to Lourenço Marques. At present Beira is not directly served by any Canadian line, transhipment being made at Durban. From British Columbia ports transhipments are possible either at London, Liverpool, New York, or Yokohama.

The East Coast range is served by the Ellerman & Bucknall Steamship Company, operating a monthly service from St. John and New York. From British Columbia ports transhipments are possible either at London, New York, or Yokohama.

Canada has no direct service to the West Coast range of ports, and transhipment is necessary either at Antwerp or Hamburg for Matadi, Loanda, Lobito Bay, or Walfisch Bay. Irregular transhipments can be arranged at British ports, particularly at London.

INLAND DISTRIBUTION CENTRES

In South Africa there is only one inland distribution centre of any importance, and that is Johannesburg. Bulawayo and Salisbury are the commercial centres of importance in Southern Rhodesia; Salisbury probably handles the greater tonnage, both in regard to incoming and outgoing freights. Portuguese East Africa has no inland distribution centre of any importance. Blantyre, the terminus of the Shiré railway, is the most important distributing centre for Nyasaland. Elizabethville is the distribution centre for the Katanga, and Kinshasa, 200 miles above the mouth of the Congo river, is the chief trading centre of the Lower Congo. Angola has no towns of any importance beyond her ports. Nor has Tanganyika, although Tabora and Mwanza promise early development into moderately important centres. (Tabora is the ancient East African slave market.) Zanzibar is the only town on the inland. Nairobi, which is 330 miles inland from Mombasa, is not only Kenya's chief town but the most important commercial centre of all East Africa. Kampala is the trading centre of Uganda in so far as imports are concerned, but shares its prominence with Jinja in exports. In Uganda, however, there are a number of ports upon Lake Victoria which have local trades of moderate importance, and the tendency of Uganda commerce will probably be against any centralization of distribution.

IV

Distribution Systems

Every political division in the sub-continent has its own peculiar distribution system, and it will be necessary to deal with each separately.

SOUTHERN RHODESIA

For the present at least, Southern Rhodesia must be regarded as part of the Union of South Africa in a distributive sense. Practically every South African agency agreement definies its territory as "the Union of South Africa, Southwest Africa, and Rhodesia". The majority of South African agents cover the Southern Rhodesian territory at least once per year. They keep in touch with Rhodesian importers at all times. Rhodesia is in the South African Customs Union, and there is no reason at present to regard this territory as separate from South Africa in a commercial sense.

General traders are still the principal distributors of Rhodesia. These are the customary British merchant houses such as are found in all parts of the world. Orginally these merchants were barterers and concessionaires, but they have developed into wholesale, retail, or agency businesses; sometimes into all three under one management. Many of these firms are exclusive distributors for important overseas manufacturers, and their strength in the rural areas is marked. In the towns specialist retailers appear sooner or later, and these restrict the urban operations of the great companies; they force the old trading houses to become wholesalers or departmental stores. But this has yet to come in Rhodesia. The pioneer merchants are still the important portion of the commercial community, particularly in rough and heavy goods, such as agricultural implements and building materials. In soft goods, however, there has been a rather different development. Much of the cheap native trade in fabrics has passed into the hands of Indian and Levantine traders, who compete strongly with the old British trading houses in such commodities in the country areas. The town trade in soft goods, on the other hand, has become a strictly European business. The streets of Salisbury and Bulawayo are crowded with fine shops, up-to-date and well-stocked, which buy from South African agents or through London confirming houses. Often there is an intimate financial arrangement between London merchant houses and such shops.

Specialist distributors such as stationers, chemists, haberdashers, motor car and small hardware dealers have already appeared, so that Rhodesian distribution may be regarded as quite as developed as that of South Africa.

NORTHERN RHODESIA

The above conditions only apply to the dominion of Southern Rhodesia and not to the colony of Northern Rhodesia, which comprises the vast area to the north of the Zambezi. As the statistics show, the white population of Northern Rhodesia is negligible. Livingstone, a few miles from Victoria Falls, is the only trading centre of any importance. Settlements are now springing up in the mining zone, and in time Broken Hill and Bwana M'kuba will have trades of their own. To date, however, the requirements of Northern Rhodesia are filled in London by the head offices of firms operating in that territory. For all practical purposes, Northern Rhodesia has no distribution system of its own.

NYASALAND

Blantyre is the railhead of the Shiré railway, and the colony's chief distribution point, Zomba, a small town close by, is of local commercial importance. These towns, however, are in the southern section of this colony, which the map shows to be long and narrow. Much of the traffic which is unloaded at Blantyre is subsequently shipped up Lake Nyasa by way of Fort Johnson, or else forwarded by motor lorries along the road system which follows the western shore of the lake. The majority of houses in the Nyasaland trade have either depots or branches at Beira, where extensive stocks are held for this territory. There is little in the nature of specialized distribution, and general traders, largely English companies, monopolize the trade. With the tobacco industry flourishing, the buying power of this colony is increasing, and it is probable that distribution facilities will improve. But to-day Nyasaland business is largely placed in London, and a canvass of the trading houses could best be made in that centre. Agricultural implement distribution is perhaps an exception to this rule.

ANGOLA

Angola was not visited by the writer during his tour, owing to difficulties of transport. Moreover, the financial situation is very bad in this territory. From the comprehensive report prepared by H.M. Consul General at Loanda during 1925, it is evident that at present all distribution is based upon the seacoast towns of Loanda, Benguella, and Mossamedes. Railways of varying lengths have been built inland to supply the districts continguous to these ports, which are the only areas which have been developed to date. The extension of these railways has been authorized, but with the exception of the British-owned Benguella railway no construction work is in progress in Angola at present, and it seems unlikely that any new territory will be opened up in the near future. This lack of communications has restricted the demand considerably and there is little or no market in Angola for other than staple necessities. Much of the importing is done by the railways, the mineral companies, and the Government; the purely trading community is small. There are, however, a few British general traders at each of the ports. From a Canadian point of view, these are the only accounts in this territory which are of any value.

PORTUGUESE EAST AFRICA

The distribution system of Portuguese East Africa (which is also known as the Province of Mozambique) is very much influenced by the presence of chartered companies who control and govern large areas in this colony. The greatest of these, the Mozambique Company, an Anglo-Portuguese organization, is probably the most important single importer in the territory. Its importations are largely for its own enterprises. Beyond the ports of Beira and Lourenco Marqués, the importing is in the hands of the various chartered companies, large and small, who in turn supply the retail custom. Such a system gives the chartered companies a control of commerce comparable with that which the Hudson Bay Company formerly enjoyed in the Arctic; as in the case of the Hudson Bay Company, a considerable amount of bartering is still employed, and this circumstance limits the range of imports. Moreover, the markedly preferential customs rates which are granted, not only Portuguese goods but goods carried in Portuguese bottoms, limits the direction of this buying power. Finally, the extraordinary tangle of paper currency makes payments in foreign currencies difficult.

To the average overseas exporter therefore the towns only of this wealthy province are accessible. In both Beira and Lourenco Marqués a large proportion of the responsible trading community is British or South African. These

British companies were originally established in these ports for the purpose of handling goods landed for South Africa, Rhodesia, and Nyasaland, but they are participating more and more in the commerce of the province itself. The recurrent currency difficulties, while restricting their activities, have also served to create public confidence in their financial and commercial integrity. The capital invested in this province (barring that of the chartered companies) is largely British, and this circumstance likewise has increased the importance of the British traders. There is therefore a large and influential commercial community in Portuguese East Africa which is available as connections for Canadian exporters. Because of the extraordinary richness of this province, such trade promises to be valuable when the colony has put its finances in order.

A certain number of South African agents request that Portuguese East Africa be included in their territory, and where such agents are covering both Lourenco Marqués and Beira the territory should be given them. Many Rhodesian orders include supplies for branch businesses in Beira. The only alternative to giving the representation to the Union agent is the appointing of exclusive stockists in each centre, and this is often an unsatisfactory arrangement.

BELGIAN CONGO

There are at least three ways of reaching the Congo Belge, and each line of communication carries its own distribution system. In the south is the highly industrialized Katanga province, which consumes a large proportion of the entire imports. On the west, Boma, the official capital, serves as entrepôt for the traffic of the Upper Congo. On the east, Dar-es-Salaam is the port of entry for a considerable volume of trade which passes over the Tanganyika railway into the populous northeastern section of the Congo. Each of these three zones has its own peculiarities. On the other hand, for the majority of manufactured goods the trade of Katanga province is the trade of the Congo. This is particularly true of the principal classes of foodstuffs and metal manufactures. Textiles are less localized, being distributed throughout the entire colony according to the population.

Distribution has yet to become specialized. The general trading company is still paramount. The majority of such trading companies have their headparters in Brussels, and are more or less in liaison with industrial and financial concessionaires. In many cases their function as merchants is really incidental to other enterprises. The emergence of selling organizations, as distinct from trading companies, is yet to come, and this condition explains the primitive nature of Congo trading.

With the exception of one or two soft goods houses, there are no wholesale organizations, and the agency community is still very limited. In Katanga province a certain amount of business is placed through a number of manufacturers' representatives, but elsewhere no sales method except importation through parent houses is known. As most of these parent houses have old-established sources of supply, the introduction of new goods is fairly difficult, and in any case such introduction can only be effected through Belgium. In the case of Katanga province, however, manufacturers' representatives can obtain orders, and the question which arises is whether the volume of trade can make the business sufficiently attractive to warrant the appointment of an agent there.

A second matter which intrudes is the question of credits. Since the bulk of the trade is conducted between parent houses and branches, somewhat lax credit arrangements are the rule, and it is next to impossible to book indent business upon a cash basis. Even handsome cash discounts do not prove to be alluring; the importer is most unwilling to pay before he has turned over

the goods. About the best terms that will be found acceptable will be sight draft thirty days after the goods have arrived at a South African port, which for Canadian shippers means between sixty and ninety days from date of shipment. Yet even these terms are more rigorous than those which are obtainable from European sources. The overseas exporter therefore must visualize the Belgian Congo as a market in which individual orders are small, and in which there are practically no cash purchases.

On the other hand, prices are not particularly close. The loose buying is evidenced by the considerable imports ex South African and Rhodesian stocks, which are duty-paid stocks, and which must pay the Congo duty upon the basis of their South African landed costs. The catalogues of South African general merchants are to be seen in many of the business premises, and therein one can see a multiplicity of English, American, and Canadian goods which are offered at prices approximately 50 per cent above their South African landed costs. Such goods are sold, although probably in no great quantities; but that they are sold at all points to casual merchandising and slack competition. The South African merchants follow their domestic practice and allow sixty, ninety, and even a hundred and twenty days' credit; these concessions mitigate the advanced costs. Those South African merchants who are in position to offer goods ex bond are of course in a favoured position and any overseas firm carrying consignment stocks in South Africa may, of course, supply the Congo from such stocks.

The loose credit arrangements do not in any degree reflect upon the financial integrity of the Congo firms. It is probable that many of them are not in a position to pay cash for goods, but this is only because they have never conducted their businesses upon such a basis. For the most part the importers are sound and reliable. If an agent is instructed to forward a bank report to each new account to which he sells, there should be no more risk in doing business in the Congo than in the usual export market.

The exchange fluctuations are of course a great handicap to the extension of trade, but fortunately the practice is to quote in sterling or dollars and leave the risk to the importer. The majority of Congo firms are conversant with sterling, and it is therefore a better medium for quotations than the dollar.*

It is practically impossible for any local distributor, either merchant or agent, to obtain any particular share of the large mining business of the copper monopoly. This trust buys through its Brussels head office to a large extent, and when forced to obtain supplies locally, does so through representatives in Bulawayo and in Johannesburg, where its agent is a member of the Witwatersrand Commercial Exchange. For all mining supplies of every type therefore a local approach is practically useless. This situation promises to be permanent.

East Africa

THE BAZAAR TRADE

An overwhelming proportion of the retail distribution of East Africa is in the hands of small Indian merchants, and these distributors are usually described as "the bazaar trade". This description requires some explanation. The derivation of the word "bazaar" is illuminating. In its original Persian, it meant any meeting-place of traders—a market. When the word came to India the term was developed somewhat to designate any place where merchants met regularly—a shopping centre. But as commerce became established the tendency of the more influential traders was to withdraw from the general trading area and to force their custom to come to them; and because of this development "bazaar" took on its present-day meaning, which is an area composed of small shops and single stalls, a cheap retail section such as is found in every American and European town.

* Since visiting the Congo the Belgian franc has been "pegged" at approximately 160 to the pound sterling, and the stabilization is, of course, applicable to the Congo as well.

The bazaar trader is essentially a small trader and this circumstance, rather than his race or trading situation, categorizes him. In East Africa every cross-road has one or more small shops which are incorporated in the bazaar system, although they may be hundreds of miles from any actual bazaar. In East Africa likewise there are Indian merchants occupying important positions in the trading community who have little or no connection with the bazaars. The term therefore cannot be used as synonymous with Indian commercial enterprises, and it is necessary to realize this fact. At the present time no Canadian exporter should sell to bazaar traders; but there are a considerable number of Indian merchants in East Africa with whom commercial intercourse can be as satisfactory as with any members of the European trading community.

The intrusion of overseas exporters into the bazaar trade direct is, however, the gravest possible speculation, and should never be considered. Canadian exporters have already sustained considerable losses through direct trading with bazaar merchants, but these have been trifling in comparison with those suf-

Primitive Craftsmen at work in Uganda.

fered by the Germans after the war. Before the war, German steamship lines, under heavy subsidies, monopolized the East African carrying trade, and German companies owned almost all godowns (warehouses) in the East African ports. These companies financed the Indian traders and kept a stiff rein upon bazaar purchasing. Well-organized and safe commerce resulted.

Germany is probably the pre-eminent manufacturer of many of the bazaar staples such as implements, lanterns, and general metal goods; no other nation manufactures such cheap ranges of native utensils. After the war, the Germans returned to this market to recoup, giving long credits. The Indian wholesaler passed these credits on to his retail custom and the situation became thoroughly unsound. No estimate of German losses during the first three years after the war is available, but they ran into great sums. As a consequence, German participation in this market is much less marked than before the war. Another factor in the situation is that the native who buys in the bazaars is learning to distinguish between cheapness and value in his purchasing, and he is also obtaining some inkling of the world market value of his crops.

SOCIAL FACTORS IN KENYA

There is, moreover, a very potent social factor. It is rather surprising in East African centres to see European shops offering in their windows goods for native consumption, when the same goods can be purchased in the bazaars for a much smaller price than the European merchant asks. In Kenya the writer saw the same plimsolls, manufactured by the same British company, in large and well-stocked British shops and in the squalid shops of the bazaars. These particular plimsolls are only sold to the natives, and a price difference of 20 per cent in favour of the bazaar was noted. On inquiry, however, it was discovered that the British shops had a considerable sale for these plimsolls to Europeans who purchased them for their native labour. In addition, Arabs, Goans, and Indians whose occupations brought them in touch with the white community bought them from the European shops to some extent. This circumstance is significant of the importance of the social factor in Kenya. In the other colonies, where white settlement is less advanced, the same conditions may not arise, but in Kenya at least there is a marked feeling of solidarity

A Street in Mombasa.

among the European population. While there are only 12,000 whites in Kenya, their purchasing power is extremely high, and when the purchasing power of their dependants and commercial acquaintances is likewise considered, it will be evident that the white trader has an important bloc committed to his custom.

Needless to say, a European trading community must be upon a very sound basis in order to dispute a market with bazaar traders, and the East African European commercial community is indeed sound. It is quite the equal of any trading community in the world in ability, business integrity, and alertness. East African firms are officered by Europeans imported under contract; they are brought out at considerable expense and there is no point in sending other than selected men. There is a group of firms, mostly British but with one or two Continental houses included, who have branches in almost all East African centres, who are thoroughly cognisant of the requirements of the markets, and who represent an unsurpassed trading connection. Nor do these organizations avoid the bazaars. On the contrary, the majority cater directly to the bazaar trade. They have their own connections in the bazaars upon whom

they can rely, and they reduce the risks of such trading by shrewdness and knowledge. These houses therefore are the satisfactory distributors of British East Africa, and Canadian manufacturers entering that field may regard these firms as the best type of account, and the custom whom they should seek to supply.

[Lists of the leading East African trading organizations, as described by Mr. Stevens above, are obtainable from the Department of Trade and Commerce, upon application, quoting File No. 29137. A certain amount of information is available upon the majority of such firms.]

DIFFICULTIES IN OPENING BUSINESS

There are, of course, difficulties in commencing business with such valuable connections. These houses are for the most part general traders, importing staples and exporting produce; they have little or no time for specialties and side lines. In addition, they are not anxious to create specialized tastes in the native, which may result in a more diversified range of imports, since specialized demands mean that the native producer wants more money, and a better price for his crop. Moreover, the majority of these trading houses are sceptical at the possibility of Canadian sources of supply. They point out—quite accurately—that native staples are manufactured out of the waste materials of vast industries which Canada does not possess. Furthermore, there is an important difficulty which has ruined American business in some lines in East Africa. This is the very precise nature of the native demand. Traditional types or trade-marks are insisted upon. A commodity may represent exceptional value; yet if it fails to conform in every particular to the article to which the native has been accustomed, he will have none of it. This is particularly true of areas such as Uganda, where the native population is well educated; in that market the predominant bicycle, soap, kanga (native lengths of calico) is so well established that the closest imitation by competitors is apt to be unavailing. In the majority of her exports, Canada is not in position to adapt her products to these rigorous requirements.

Another difficulty in entering the East African trade is the centralization of buying in London. The majority of the strong East African houses are controlled, not only in policy but in detail, in London. This control is of course weakening, as sooner or later the head office discovers the wisdom of leaving a greater number of decisions to the man on the spot. But at present it is usually easier to book East African business in London, where the buyers have the latest data upon competitive offers, than in East Africa. In addition, these London houses have old-established sources of supply which they are loath to change. The most successful approach to this trade is through solicitation both in East Africa and in London; under such method if either branch or head office is interested, there will be a double chance of obtaining business.

EAST AFRICAN AGENCY COMMUNITY

The East African agency community is only in its infancy, and only a small proportion of East Africa's imports are placed through manufacturers' representatives on the spot. Yet these representatives are very serviceable members of the commercial community, since the alternative to appointing a representative is to select some general merchant as an exclusive stockist, a procedure which restricts sales. Moreover in East Africa, as in South Africa, the local merchants will buy from the local agent in preference to a centralized London office; the well-established agent can be assured of a certain percentage of custom upon this ground alone. Furthermore, beyond specialties, which have a world price, buying is not exceptionally keen in East Africa; if an article

A Typical Central African Trading Station.

is liked, price is a secondary consideration. It is easier to convince the merchant on the spot that an article is in demand than the London buying office. which is only familiar with the market at second-hand. Because of these circumstances the appointment of agents in East Africa is to be recommended, wherever the volume of business available is sufficient to keep the agent interested.

EUROPEAN AGENCY COMMUNITY

The majority of active agencies are held in East Africa by the old trading companies, who have branches in various parts of the territories, who buy upon their own account, acting as exclusive distributors. In a general sense, these large trading corporations are not interested in other than staple lines, which can be purchased in bulk, and this circumstance has led to the development of a distinctive agency community in Kenya, which is the most advanced of the East African colonies. There are a number of first-class manufacturers' representatives with headquarters in Nairobi, who sell in Uganda and Kenya, and even in Tanganyika. Upon the available business it is difficult to see how such firms can flourish, yet they are increasing in importance, and offer good connections for such lines as they can handle.

It is easy to denote the lines they are competent to handle. On account of the limited market, they must be goods of fairly general sale. The market for the majority of specialties and proprietary articles is much too limited to interest a first-class representative. On account of poor communications, they should be goods with stabilised prices; any article with a fluctuating price such as, for instance, flour, would eat up its profits in cables and telegrams. They must be articles which do not require bulky ranges of samples; the cost of transport in East Africa is roughly twice what it is in South Africa, and there is not sufficient business to warrant show rooms in all centres.

A list is on file at the Department of Trade and Commerce, Ottawa, indicating those Canadian lines for which the writer was able to obtain tentative connections while in East Africa. Such a list may serve not only as a guide to the class of goods in which Canadian manufacturers can reasonably expect business in East Africa, but also as a guide to the class of connection which would be most advantageous. This list is available to bona fide Canadian firms on application (quote file No. 29137).

V

Customs Tariffs

There would be no purpose in furnishing particulars of the Customs enactments and management ordinances of the various political divisions of the Sub-Continent. The Foreign Tariffs Division of the Department of Trade and Commerce at Ottawa can usually supply information upon any points of importance to Canadian exporters. It may be of interest, however, to note the general trend of the tariff policies of each of the political divisions.

There are four different tariff alignments among the eleven territories between South Africa and the Equator. These may be tabulated as follows:—

South African Group.—Southwest Africa; Southern Rhodesia; Zambesi Basin of Northern Rhodesia.

Colonial Group.—Portuguese East Africa; Loanda, Benguela, and Mossamedes (provinces of Angola).

Congo Basin Agreement Group.—Congo Basin of Northern Rhodesia; Belgian Congo; Angola (except provinces of Loanda, Benguela, and Mossamedes); Nyasaland; Kenya; and Uganda.

International Agreement Group.—Tanganyika; Zanzibar.

As a number of the colonies have export as well as import tariffs, it is perhaps necessary to note that only import tariffs will be discussed in this report.

SOUTH AFRICAN GROUP

The mandated state of Southwest Africa is for tariff purposes an element of the Union of South Africa. The South African tariff applies in every particular. Even the preferential schedules are in force. The port of Walfisch Bay, which, although situated in the mandated territory, has always been a British port, is administered under the South African customs tariff.

Southern Rhodesia has always been in a customs union with South Africa, and as long as a large proportion of the imports of that colony are routed through South Africa such union will probably continue. It is an incomplete union, however, and the present tendency is against Rhodesia accepting South African tariff changes. In the original agreement for reciprocity between the Union of South Africa and the Rhodesian colonies a safeguard known as "The Rhodes Clause" was inserted, which reads as follows:—

> No customs duties levied on any articles produced or manufactured in any part of Her Majesty's dominions or in any British protectorate, and imported in Barotziland-Northwestern Rhodesia, shall exceed in amount the duties levied on such articles according to the tariff in force in the South African Customs Union, at the date of the coming into operation of the Southern Rhodesia Order in Council, 1898, or the tariff contained in the Customs Union Convention concluded between the Colony of the Cape of Good Hope, the Orange Free State, and the Colony of Natal, in May, 1898, whichever are the higher.

In spite of the abolition of British preference by South Africa except upon a few items (22 out of 372), Rhodesia has remained strongly preferential. Moreover, her tariff has not followed the protective revision of South Africa: the tendency is to retain the old rates. The schedules and the classifications of the South African tariff are followed, but instead of maximum and minimum columns, Southern Rhodesia has three columns: the general, where the duties are roughly analogous to South African duties; the British preferential, for reciprocating dominions or possessions, in which the duties are usually much lower than in the general column; and a column for non-reciprocating British possessions, in which the duties roughly follow those of the British preferential general schedule, but not in all cases.

The rate for unclassified goods entering Rhodesia is 20 per cent ad valorem, and the corresponding British preferential rate is 9 per cent ad valorem. A similar advantage is extended to British and Dominion goods in the majority of the specific items.

Canadian firms shipping to Rhodesia therefore should always ascertain the duties upon their products, as there is often a very great advantage by shipping via Beira rather than through South African ports. On shipments through South African ports, however, a transit bond can be arranged by South African clearing agents, which will ensure the admission of goods at the Rhodesian rates. Any goods in South African bond may be released for shipment to Rhodesia on payment of the Rhodesian rate of duty. There is no arrangement, however, by which rebates can be obtained when South African duty-paid goods are re-exported to the Rhodesias.

CONGO BASIN AGREEMENT

The territories within the watersheds of the Congo Basin (which includes the areas drained by Lake Tanganyika and its affluents) are rather peculiarly affected in tariff matters because of the Congo Basin Agreement, which was enacted by the Berlin Conference of 1885. This agreement established free trade and commercial equality for all nations in so far as the Congo Basin was concerned. In 1890 free trade was abolished and the drafting of customs tariffs was left to the various political divisions which possessed territory in the Congo Basin as defined. A duty of 10 per cent ad valorem on any commodity was instituted as the maximum assessment which was permissible. In 1919 this maximum was withdrawn, and the agreement was extended for a further ten years. The present agreement will be reviewed shortly. As the agreement cuts across political boundaries, it makes the administration of the Customs very difficult. Its original purpose was to assist in suppression of the slave trade, and for this purpose its usefulness is over. In 1929 some modification of the present position may be anticipated. If the agreement is terminated, it will afford the British colonies the opportunity of instituting preferences, and the effect of such preferences, particularly in Uganda, Tanganyika, and Kenya, would be very considerable.

NORTHERN RHODESIA

Northern Rhodesia is divided for tariff purposes. The Zambezi Basin is incorporated in the South African Customs Union, and the Congo Basin in the Congo Basin group. Often goods which enter Northern Rhodesia at one rating are subject to other duties before they reach their destination. Moreover, Northern Rhodesia still observes the principle of maximum assessments in the Congo Basin area, and as the Northern Rhodesian tariff follows the South African classification in many respects, many duties are collectable upon a specific basis. This means that these specific items are only valid up to a stated maximum. The Northern Rhodesian tariff has no less than five columns, comprising a schedule for the South African Customs Union, a schedule for Great Britain and reciprocating possessions, a schedule for British possessions which do not reciprocate, a general schedule for the Zambezi Basin, and a special schedule for the Congo Basin area.

NYASALAND

Nyasaland is in the Congo Basin area, and has a one-column tariff, with no preference. The general rate of 15 per cent ad valorem applies to almost all imports except building materials, which only pay 10 per cent. The only specific duties are upon wines and liquors and motor cars. The free list is very similar to that of the East African colonies.

BELGIAN CONGO

The Belgian Congo has a comparatively simple one-column tariff, composed of ninety-four items. The general rate is 15 per cent ad valorem, and the highest ad valorem duties are 25 per cent on a small number of luxury commodities. The only specific duties of any importance are those upon oils and beverages. There is no free list of any importance.

It might be noted in passing that, under special agreement, Belgium owns a free area in Dar-es-Salaam, and goods for the Belgian Congo are forwarded through Tanganyika upon a through bill of lading, without bonding formalities.

THE COLONIAL GROUP—ANGOLA

The Portuguese colonies of Angola and Mozambique are the only colonies in the Sub-Continent whose tariff connections with the Mother Country are of an intimate nature. Angola, like Northern Rhodesia, has two separate and distinct tariffs because of the presence of part of the colony in the Congo Basin. The national tariff is applicable only to Loanda, Benguela, and Mossamedes, the three coastal areas in which settlement has developed. These settlements are really bounded by their transportation systems, and it is doubtful whether any precise boundary has ever been defined between the Congo Basin and the national tariff areas. At present goods for seacoast consumption pay the national duty, and goods for inland destinations, the Congo Basin duties.

The national duty is, of course, highly preferential, Portuguese goods being assessed at approximately one-half the duty upon foreign importations. A still greater measure of preference is achieved through the advantages granted both national and foreign goods when carried in Portuguese bottoms. A rather remarkable fact in the past has been the lack of customs union between Mozambique and Angola. At present there are considerable preferences, but not free trade between these colonies, and the enormous increase in duties in one colony has been met in some cases by similar action on the part of the other.

It is quite impossible to give a clear idea of the Angola tariff in a few words. Its ratings are very largely specific and are subject to almost infinite variation. The fluctuations of currency and the establishment of worthless local currencies have led to extraordinary customs enactments; for instance, Decree 367 increased the duties up to twenty-five times the previous duties upon a considerable number of luxury articles and upon commodities produced in Angola. There is an extensive free list, however, which includes agricultural implements, timber, and cement, three of the principal commodities which Canada might supply to this colony.

MOZAMBIQUE

The political peculiarities of Mozambique make the tariff situation perhaps the most complicated of all Sub-Continental colonies. A very large portion of this colony is administered by chartered companies, which have the privileges of collecting customs revenue. These chartered companies are under the High Commissioner of Mozambique, but their authority is complete in the areas which they control. The situation in the north of Mozambique (where chartered companies other than the Mozambique Company have concessions) is too obscure for detailed attention in this report. In the centre of the colony, the Mozambique Company are the actual rulers of the area between the Zambezi and a boundary at 22 degrees south latitude. In this territory the Mozambique Company's tariff is applicable to Sofala and Manica, which includes the port of Beira. South of the Mozambique Company's territory, and in other areas under the direct administration of the Portuguese High Commissioner, a national tariff is in effect.

In the Mozambique Company area the general rate of duty is 15 per cent ad valorem, and the average duty upon the itemized commodities averages about the same figure. The free list is of no importance. There is no preference in the general schedule of the tariff, but a second schedule institutes heavy preferences in favour of Portuguese goods upon fifteen principal items. The same advantages accrue to Portuguese shipping as in Angola, but on account of the Mozambique ports being included in the South African range, such preferences do not exert any particular influence upon the colony's trade.

On account of the necessity of bonding goods entered for Nyasaland or Rhodesia at Beira, many of the larger firms trading in these territories have their own branches and warehouses there. The Mozambique Company afford every facility in this transit tariff.

Of the remainder of Mozambique Province (that is, territories administered by the Portuguese Crown instead of by chartered companies), the important area is that part of the province south of 22 degrees latitude, in which is situated the port of Lourenco Marques (Delagoa Bay). This section is under the national tariff, which is similar but somewhat higher in its ratings than that of the Mozambique Company. It likewise has a more extensive preferential schedule. A considerable number of items in the national tariff have both ad valorem and specific ratings, the ad valorem assessment supplementing the previous specific duty. In addition to a special schedule of Portuguese preferences, there are a considerable number of items which in the general schedule are divided in order to admit Portuguese goods at approximately half the duties of similar foreign commodities.

These items have not been transferred to the preferential schedule because that schedule is variable. The general rate of duty upon unclassified articles is 20 per cent ad valorem.

KENYA AND UGANDA

These colonies are in a complete customs union, and the Kenya tariff applies in every respect to Uganda. As a matter of fact, the Customs departments are amalgamated. Geographically neither Kenya nor Uganda are in the Congo Basin, and their incorporation in this group is the result of a subsequent treaty between Great Britain and the other powers who were signatories to the Congo Basin Agreement. The adherence of these colonies to the non-preferential group has been in large part due to the terms of Great Britain's occupation of these territories. Uganda still remains as a protectorate, and the foreshore of Kenya is still the property of the Sultan of Zanzibar; under such arrangements the institution of British preferences must be preceded by extensive political negotiations. It is believed, however, that a consolidation of the Customs enactments and management ordinances of all British East African possessions will arise out of recent conferences upon this subject, and if the denunciation of the Congo Basin Agreement does not occur in 1929, the way will be paved for a British preferential column in the Kenya-Uganda tariff.

This tariff consists of five schedules with 125 items. The first schedule assesses specific duties, the second 30 per cent ad valorem upon a limited number of luxury articles, the third schedule 10 per cent ad valorem upon a wide range of heavy goods such as building material, the fourth is the general duty of 20 per cent on unclassified goods, and the fifth schedule is a quite comprehensive free list. Among the specific ratings are a number of very high protective duties upon articles of food, drink, and other commodities which are now produced in Kenya.

TANGANYIKA

Tanganyika as a mandated territory might be incorporated in the tariff system of the mandatory power, but Great Britain has preferred to effect tariff

liaisons between the other East African colonies and her mandate. At present Tanganyika is in a customs union with Kenya and Uganda, but this union is not complete owing to separate management ordinances (which have not yet been passed), but more particularly because of Tanganyika's denunciation of a few of Kenya's more markedly protective duties. Efforts are being made to federate the customs administration of all British South African colonies, but owing to the predominance of Kenya's interest in this matter, Tanganyika has preferred to proceed slowly. In the event of the denunciation of the Congo Basin Agreement, a customs union with Kenya and Uganda would probably lead to all three territories becoming preferential; whereas if there is no union between them, preference may not be instituted in Tanganyika.

ZANZIBAR

Under the agreement by which Great Britain assumed the protectorate of Zanzibar, equality of customs treatment was assured other nations. For many years Zanzibar was entirely a free port, but eventually a duty of 5 per cent ad valorem was imposed upon imports for revenue purposes. This duty has now been increased to 10 per cent ad valorem upon all imports except spirits. There is, however, a very extensive free list. During the recent conferences the Zanzibar authorities expressed their interest in arriving at uniform management ordinances, but they were averse to accepting a tariff union with the mainland colonies. Here again, as in the case of Kenya, the terms of the British protectorate limit changes in the *status quo.*

VI

Documentation

For shipments into Northern and Southern Rhodesia and the Mandated Territory of Southwest Africa, South African documentary practice is applicable in every respect. It should be noted, however, that if Rhodesian shipments are routed via Union ports, it is particularly necessary that the documents should arrive not later than the goods, as these documents have at least a week's travel before returning to the port of debarkation for clearance purposes.

BASIS OF VALUATION

Nowhere else in the Sub-Continent, however, is the South African basis of valuation for duty purposes acceptable. The Portuguese colonies, Belgian Congo, and British possessions and protectorates (with the exception of Nyasaland) assess duty upon the landed costs of goods—that is, the invoice value together with all charges incurred in placing the goods in customs premises in the country of import. In the case of the Belgian Congo, inland freight to the Congo boundary is an added charge for duty purposes, but 20 per cent of the f.o.b. value of the goods is set as the maximum that can be included for all charges between the port of shipment and the Belgian Congo.

(Nyasaland is an exception to this practice. In Nyasaland the duty is levied upon the f.o.b. value of the goods at port of shipment. The Nyasaland practice differs from that of South Africa, however, by permitting a deduction from such valuation to cover the cost of export packages or outer containers.)

For shipments to Mozambique, Angola, Belgian Congo, Tanganyika, Zanzibar, Kenya, and Uganda it is therefore necessary to show the amount of ocean freight, either upon the invoices or the bills of lading. If this information is omitted, an arbitrary assessment upon an ad valorem basis is made. As previously noted, 20 per cent ad valorem is allowed in the case of the Belgian

Congo, but this percentage, of course, includes a high proportion of African inland freight. In the case of the Portuguese colonies, no percentage is stated, and there it is usually possible, if the amount of the ocean freight is omitted, to have it entered by the clearing agents at the port of debarkation. In the case of the British East African colonies, no specific maximum for ocean freight is set, but it is general practice for the customs to add 5 per cent ad valorem if the amount of this charge is not entered. In all African ports, outside of the South African range, the very heavy landing and port charges are included in the valuation for duty purposes.

HOME CONSUMPTION VALUES

In instances where the selling price is different from the home consumption value, it will be preferable for Canadian exporters to continue to declare both upon their invoices. The customs management ordinances of the British possessions do not compel the declaration of home consumption values, but as they use the Imperial Conference invoice forms, such declaration is in order. In Portuguese colonies the f.o.b. value is determined upon a home consumption value basis, and Article 3 of Preliminary Instructions of the Portuguese Tariff defines the value for duty purposes as follows:—

> Latest wholesale import value determined at the place of purchase of goods, plus freight, insurance, commission, and other expenses up to the entry into the fiscal zone (i.e. of the Portuguese colony).

In the Belgian Congo the basis of value is defined as follows:—

> The value to declare is the normal value of the goods, at the place of manufacture, together with the expenses of packing, transport, handling, insurance, commission, and all other charges necessary for importation of the goods into the Belgian Congo. That value must not in any case be less than the usual price of similar merchandise purchased under similar conditions.

CURRENCY

In the South African Customs Union the currency to be used in preparing invoices is that of the country of sale (in the case of home consumption values) and the currency of sale, in the case of the selling price. This requirement stands in all parts of the Sub-Continent except Nyasaland, where the values must be shown in sterling as well. In the case of the Portuguese colonies, where sterling rather than the escudo is the commercial medium, it is wise to enter all values in sterling, since the customs administration of these colonies requires a proportion of the payment of customs dues in sterling, and the remainder in escudos at a fixed rate of sterling.

In all parts of the Sub-Continent, whether in preferential areas or elsewhere, it is necessary to declare the country of origin of goods; and in all territories the customs authorities are empowered to make arbitrary valuations and to penalize importers whose documents are incorrectly prepared. On the other hand, administration in the majority of areas is not particularly strict, and there would be no point in impressing the letter of the various laws upon Canadian exporters. In opening business relationships in any of these territories, by far the best plan is to ask the African customer how he wishes his documents prepared. Such action protects the Canadian exporter against any recriminations if they should not be in order.

PARCEL POST

In all parts of the Sub-Continent parcel post shipments are subject to the same customs regulations as other shipments.

CONSULAR VISAS

Consular visas are unnecessary for shipments to Portuguese and Belgian possessions, and, of course, are not required for shipments to British possessions.

VII

Confirming Houses, Finance and Terms of Payment

Africa lives by the export of raw materials to Europe, and therefore the majority of African earnings are paid over in London. The great African trading corporations are usually both exporters and importers, and they do not carry any particular balance in any part of Africa. These corporations purchase export produce out of the returns of their imports, and pay for their imports out of the sale of such produce on the London market. As long as this situation continues, London must remain the chief centre of African trade. Moreover, London provides special facilities for such business, through the medium of a merchant or agency community which buys, ships, and pays for goods upon behalf of overseas principals. The functions of these confirming houses, as they are known, are not generally understood in Canada, and a knowledge of their ways of business is most necessary to any firm entering the African market.

The nature of the arrangement between the African merchant and the London confirmer may be most varied. More and more firms are opening their own buying offices in London, which take charge of all overseas purchases, selling produce, buying goods and paying for them with the proceeds of sale. Even when orders are placed by representatives in Africa, this business is routed through London for convenience sake. In some cases the London office is permitted to buy without instructions from Africa, but under the general arrangement it awaits instructions. When the order has been placed, the African merchant has nothing further to do but to receive and sell the goods.

In the case of African firms who have not their own branches the relationship is almost as intimate. The London shipper receives and markets African produce, banks the funds (even at times invests them upon behalf of the overseas merchant), buys and pays for goods as per instructions. The London shipper has a large amount of liberty in the placing of orders; his instructions are usually to buy in the best market, although occasionally they read "From John Jones & Company, or better offerings." Even in instances where an African merchant has an exclusive distributing arrangement with an overseas manufacturer, the business will be routed through the London shipper, and when orders are placed with an African agent, the London shipper is notified, as he is to pay for the goods.

In the case of South Africa the majority of large importers have New York as well as London confirmers, but comparatively few importers in other parts of Africa have sufficient American business to warrant the detention of funds there.

The above explanation of the relationship between confirming house and African merchant should make clear the necessity of regarding the London confirmer as the prime element in any transaction with the African merchant. Over and over again Canadian manufacturers have received orders from African merchants which were subject to confirmation by London, with the draft to be drawn upon a specified London house. Such orders have been shipped without the confirmation, or the drafts have been drawn upon the merchant who placed the order, and to the astonishment of the Canadian exporter, both draft and goods have sometimes been refused upon arrival in Africa. The African merchant regards London confirmation as a guarantee that the order has been placed with the most advantageous source of supply, and he will not accept deliveries which have not been confirmed; upon the question of payment, it is convenient for him to pay in London, and most inconvenient for him to pay in Africa.

These shippers and confirming houses are paid a small percentage commission for their services by the African merchant, and they do not obtain (or should not obtain) any revenue from the manufacturers with whom they place orders. They usually pay cash, demanding cash discounts, and these discounts are credited to their African principals. Because of these discounts, many manufacturers are of the opinion that the shipper makes a profit upon both ends of the transaction, but this is rarely, if ever, the case unless the shipping or confirming house holds overseas agencies. The latter is more common practice in New York than in London, and it makes it difficult in some instances for Canadian firms to obtain business through such confirming houses, who have their own peculiar sources of supply. The tendency, however, is becoming marked for African importers to give explicit instructions as to source of supply to their New York and London representatives.

On account of the widespread use of confirming houses, a draft on London may be taken to be the usual method of payment for goods shipped to any part of Africa outside of the Union of South Africa. The importers of agricultural implement and automotive supplies are perhaps exceptions, as these houses usually carry funds in New York.

The question is often raised why these African merchants do not carry funds in Canada as well. The reply is that the value of the Canadian business is too small and fluctuates too greatly to tie up any stated sum in anticipation of placing orders in Canada. Moreover, Canada buys little or no African produce, and the opening of funds in Canada represents a considerable exchange loss in comparison with placing similar funds in the great commercial countries of the world, where African bills are always on the market.

For a Canadian firm to request an irrevocable credit in a Canadian bank from an African merchant carrying funds in London is, in nine instances out of ten, to throw away the opportunity of business. In order to save the cost and bother of placing funds in Canada, the London confirming house will usually scour Great Britain and even the Continent for alternative sources of supply. It really resolves itself to this: the Canadian firms wishing to trade in Africa must learn not only to think but to work in sterling.

In connection with confirming house payments, these firms, particularly in London, are apt to regard sight drafts as a cash payment; in which case they will ask cash discounts. (In relation to South Africa this matter was discussed in *Commercial Intelligence Journal* No. 1108 (April 25, page 394).) The Canadian custom, however, of quoting cash at ten days, or until a certain date in the month, really obviates the necessity of allowing cash discounts on all sight drafts. There is no established practice among African merchants upon this point. There is, however, a widespread belief among these old-established African merchants in what they call "free" drafts; that is, drafts with bank charges deductable from the amount of the draft. The majority of newer firms do not quibble over the matter, but many of the older organizations will not pay collection and remittance charges unless instructions to this effect are embodied in the draft.

DIRECT PAYMENTS BY IMPORTERS

The confirming house is, of course, a medium of the greatest value to the overseas manufacturer, since it obviates credit risks, pays for goods sooner, and gives explicit shipping instructions. There will always be, however, a certain volume of direct business with African merchants, and a tendency has been noted among Canadian manufacturers to regard orders from the African hinterland as a somewhat greater risk than orders emanating from more developed parts of the world. This is a fallacy. The firm that can import goods into Central Africa must be prepared to make an outlay of which the first costs of such goods is a small fraction, and such firms are abundantly protected against

shortages of trading capital. The average European firm trading in Africa is unquestionable in a financial sense, since their export business is their major concern and any failure to pay for imports would affect their operations in the London produce markets. There is therefore no greater risk in shipping goods to European firms in Central Africa than in selling them in London or in any other world market.

Every part of Central and East Africa has British banks which are correspondents and agents of Canadian banks, and these banks operate precisely as in other parts of the world. An exception may perhaps be made in the case of Portuguese East Africa, where in order to sustain the escudo, the export of sterling is prohibited. The British banks in this territory will collect drafts, but as this sterling cannot be remitted, they prefer overseas shippers to insist upon funds being placed in Rhodesia or South Africa to meet Portuguese East African commitments. At present a considerable portion of the business is financed in this manner.

CREDIT

As the foreging report suggests, credit considerations do not intrude to any particular extent in Central or East Africa. There are very few areas in which credits are essential to trade. The Belgian Congo is perhaps an exception. The Belgian and Continental firms operating in this colony are usually branches of European houses, which grant their branches more or less continuous credits, and this circumstance affects the terms of payment in all businesses. Moreover, the fluctuations of the franc during the last few years has resulted in merchants desiring a liberal credit period during which to pay, in order that they might not be obliged to buy sterling at an especially unfavourable rate. Furthermore, deliveries from the seaports into the Congo distributing centres are very slow, and anything less than sixty-days' credit will often result in the importer being obliged to pay for goods before he sees them.

These conditions, however, are singular. In the other areas, if an importer asks for credit it is probably because—

(1) He is obliged to use the lever of credits in order to enter the bazaar trades and has not sufficient funds for such purpose.

(2) He has been interested in produce trading which has proved unremunerative.

(3) He wishes to attack some article enjoying a preponderating share of the available market, and is contemplating special sales effort and expense.

(4) He is laying in stocks which will be turned over slowly, which means that he is speculating upon the future capacity of his area to buy.

As a glance will show, any of these conditions make a customer a less attractive risk. Requests for any credit over thirty-days' sight draft (which really only give an importer time for the goods to arrive) should be scrutinized carefully. None of these circumstances are sufficient in themselves to prevent business, but any African importer requesting credit should be asked the explicit reason why such credit is necessary, as it is not the general practice of responsible firms to import on long terms.

With reference to drafts drawn on African merchants, British firms employ a useful safeguard by forwarding their documents marked "D.A.D." (documents at discretion). This instruction authorizes the bank to hand over such documents only if they are fully satisfied that the draft will be met. In countries dependent upon a crop such as cotton or coffee, in which there are important seasonal fluctuations, the ability of importers to meet their obligations varies rapidly, and an order placed in the best of faith is sometimes impossible of acceptance when the goods arrive. In such cases the bank, under the practice noted above, has special authority to use its own judgment in protecting overseas shippers.

REFUSED DRAFTS

In the case of refused drafts, Canadian firms usually waste some time in arguing with the importer over his refusal. In the experience of the Cape Town office, very few drafts are refused that can be taken up. In the case of sight drafts, the instructions to the bank should be to arbitrate only when the refusal arises out of the condition of the goods. In all other cases the instructions should be to sell the goods for their invoice value. In a surprising number of instances this is possible. In the case of drafts which are refused after the goods have been delivered, the instructions should be to regain possession of the goods whenever possible, and to dispose of them.

In either case, it would be as well to advise the Cape Town office at once when drafts are refused or when shipments, for any reason whatsoever, are not paid for. It is always possible to do something to recover the costs of goods if one knows in time, but to approach the banks or the Trade Commissioner after time-wasting correspondence with the consignee is to present them with an impossible task. A number of Canadian firms now shipping into Africa send forward their drafts with instructions to notify the Trade Commissioner in the event of them not being taken up upon the date indicated.

In justice to African importers, however, it must be added that few refusals to meet drafts occur in the course of a very large volume of trade. Almost invariably Canadian losses have been occasioned through shipments to individuals or firms engaged in temporary enterprises. One Canadian exporter, with hundreds of accounts throughout Africa, has done over a million dollars' worth of business in the last few years in a very perishable product and has never lost a cent through bad debts. This experience is general.

VIII

Trading Licences

There is a wide variety of taxation upon the different types of traders in the various political divisions of the sub-continent, but it is improbable that Canadian exporters will be interested except in that imposed upon commercial travellers or representatives from abroad visiting these territories. In a number of instances, the salesman who includes such territories in his itinerary is legally liable for the same taxation as the permanent resident. As a matter of fact, however, this legal obligation is rarely enforced in the case of business men who are transients, and there is no reason for factory representatives to fear the imposition of heavy trading licences because of a casual visit. Moreover, it is quite easy to avoid the liability of such taxation through the selection of some local representative, and the routing of all business through such an intermediary.

SOUTHERN RHODESIA

A non-resident agent of a foreign firm—that is, one that visits Rhodesia from overseas or some other part of Africa—is charged £30 per annum for his licence; a Rhodesian agent pays one-half this amount. After two years' residence in Rhodesia the agent of a foreign firm pays £15 per annum for his licence, but in addition he pays £2 10s. for each additional firm represented, up to a maximum of £30. No half-yearly licences are available for the first half year, but it is possible to obtain a six months' licence from July 1 for £15.

NORTHERN RHODESIA

In Northern Rhodesia, agents and commercial travellers alike, whether resident or non-resident, pay £30 per annum. Half-yearly licences are available at £15.

ANGOLA AND MOZAMBIQUE—PORTUGUESE AFRICA

Agents resident in these colonies are subject to a licence costing 135$00 per annum (approximately $145) and commercial travellers domiciled outside these colonies are taxed 450$00 (approximately $475). These colonies are not as liberal in interpreting terms of residence as the British possessions, and business men visiting them, who do not wish to pay the full amount of a trading licence, must restrict their trading activities.

BELGIAN CONGO

Annual and six-monthly licences are necessary in the Belgian Congo. No semi-annual licence is available in the first half of the year. The annual licence costs 5,000 francs (about $150), and a six-months' licence half this amount. In addition, a deposit of 5,000 francs as a guarantee is also necessary. This sum is returned to the agent, or merchant, when he leaves the Congo, less 10 per cent of any profits which he may have made. If the 10 per cent of his estimated profits are greater than the amount of the deposit, the business man must pay the difference.

KENYA

A commercial traveller visiting Kenya, or an agent resident in the colony, is subject to a fee of £15 per annum for his trading licences. Half-yearly licences are available.

ZANZIBAR

Commercial travellers, whether resident in Zanzibar, or visitors, are liable for a trading licence costing 100 rupees ($36.50) per annum. A half-yearly licence is available. It is interesting to note, in the case of Zanzibar, that international agreements affect the trading situation somewhat. There is a considerable volume of trading done from ships anchored in the harbour. Merchants travel regularly upon some Continental lines, carrying considerable stocks, and they sell ex such stocks. They pay no licence, and the practice gives rise to smuggling, and persistent under-valuation for customs. It is stated, however, that, under existing agreements, the British authorities cannot prevent such trading.

IX

Advertising

The scattered and variable nature of the trade which is available within the African sub-continent imposes strict limits upon advertising. There is scarcely a centre in all this vast area where the customer has any choice in his purchases; he must take the goods which are placed before them. Moreover, the present supply of commodities is sufficient to satisfy both the taste and the buying power of the inhabitants, and there is no particular incentive in endeavouring to increase sales or in widening the demand through the introduction of other commodities.

It might seem therefore that there is no purpose in mentioning advertising in the course of this report. But a number of factors bring such a subject within the range of this survey.

When a native accepts an article of European design or type as necessary to his welfare, or comes to regard it as being desirable of acquisition, the European name means nothing to him. So he supplies some name out of his

own experience; and if the article in question has any resemblance to anything with which he is familiar, it is apt to be called by the name of the familiar commodity. This makes the brand or trade mark of articles for native consumption very important, as a familiar mark forms a link with former experience. The old British trade marks, such as familiar animals and other natural objects, seem rather childish to Europeans, but their value is undeniable, since the implement or commodity has become associated in the native mind with a definite image. In Uganda, for instance, it is almost impossible to sell a bicycle which does not bear an emblem or mark similar to that of a famous British make. The same is true of many other imports for the native trade; the brand or trade mark is often actually the native name of the commodity so distinguished.

A second point worth noting is that the native consumer must be reached through the non-European populations. The Indians, Goanese, and Arabs imitate the white men and the natives imitate them. Any advertising appeal should be directed towards the intermediate peoples, as they serve to make a commodity acceptable to the native. (This factor, of course, only affects the British East African colonies. In the Portuguese and Belgian possessions these middle classes do not exist.)

Nor would there be any particular point in advertising to the white population of any part of the sub-continent outside of the Union of South Africa and Rhodesia. The European populations of these parts are composed of people of considerable resources and education, who are not in any particular degree susceptible to advertising impacts. Insofar as the consumer population of Kenya is concerned, advertisements in English publications would not only have a greater but a wider appeal than any form of advertising on the spot.

The advertising carried by East African periodicals is almost entirely trade advertising, with little or no consumer appeal. It is less advertising than the announcement of arrivals of goods. The advertisements are inserted for the information of bazaar traders in and beyond the towns. The following advertisement, which was excerpted from a leading East African publication, is typical:—

JUST ARRIVED.—Xmas Cards, Toys and Crackers, Turkish Bath Towels, Pyjamas, Dress Shirts, Fancy Table Cloths, Fruit Syrups, Salmon Fish asstd., Skippers in oil and Tomatoes, Oysters, Prawns, My Lady Fruit Salad, Bacon, Quaker Oats, Asstd. Jams, Flavouring Essence, Castor Sugar, Golden Honey and Syrup, Kippered Herrings, Red Herrings, Preserved Ginger, Health Salt, Sausages, Eyssen Holland Cheese in tins, Oatmeal Barley, Sailor Savouries, Camp Pie, Corned Beef, Asparagus, Little Liver Pills, Doan's Dinner Pills, and several other things.

This advertising is of no interest to overseas firms, and except in the case of commodities in general sale among the natives, the problem need not be considered at all. Speaking generally, outdoor advertising and retail fixtures represent the most valuable channels of appeal to the consumer, and the vernacular press affords the best approach to the retail trade.

(Advertising schedules from leading East African papers may be obtained upon application to the Department of Trade and Commerce, quoting File No. 29137).

X

Trade Returns and Trading Conditions

Southern Rhodesia

It would be manifestly impossible to analyze the commerce of the sub-Continent as a whole, when so many conflicting factors affect the various political divisions. The most important colonies, however, will be dealt with in some detail. Unfortunately, it is impossible to furnish detailed comments upon all areas as some colonies are far in arrears in their annual reports, and have not issued statements which are sufficiently recent to be of value. In such instances a more general summary of the present economic position will be attempted.

Southern Rhodesia, the most important sub-Continental territory outside the Union of South Africa, had a satisfactory year during 1926. Her statistics of trade for the past two years are as follows:—

	1926	1925
Exports	£ 6,000,348	£ 5,723,207
Imports	6,193,868	4,712,646
	£12,194,216	£10,435,853

As the above figures show, the total value of trade increased in 1926 by almost 20 per cent over the previous year. The favourable balance of £1,010,561 is now an adverse balance of £193,520. However, these figures are to some extent misleading, since a considerable volume of re-exports are included in the Southern Rhodesian figures, a circumstance which gives the colony credit for entrepôt commerce. Disregarding this transit business, which affects both imports and exports to some degree, the Rhodesian trade balance is probably favourable. In both imports and exports, however, the actual trade is well below the official totals.

EXPORTS

The principal exports of Southern Rhodesia for the last two recorded years were as follows:—

	1926	1925
Coal	£ 177,512	£ 81,858
Maize	247,346	212,054
Cotton	76,451	75,783
Tobacco	328,906	148,152
Cattle	330,686	194,018
Gold	1,922,461	2,013,326
Asbestos	579,740	636,213
Chrome	388,913	315,397
Other exports	1,948,333	2,046,406
Total	£6,000,348	£5,723,207

Among agricultural products, Rhodesian cotton, a much heralded crop in the past, experienced the same setback which has overtaken this staple in all other parts of the world. Although the quantity of cotton exported increased by 35 per cent, the value of the crop was almost precisely the same as in the former year. This has proved to be a losing proposition to the farmers, and for the time being at least a considerable acreage of cotton has gone out of cultivation.

In maize, however, Rhodesia was fortunate enough to escape the drought which reduced the South African crop to negligible proportions, and her returns benefited to some extent by the South African shortage. The output was up by about 15 per cent, and an excellent price was realized.

The greatest agricultural advance occurred in tobacco, in which the exports were over 75 per cent greater than in the previous year, and the return was nearly 120 per cent greater. The increase in exports is not so remarkable as it appears. The institution of the British preference served to draw away considerable quantities of tobacco which normally go into consumption in South Africa, and this accounts in some degree for the greatly improved return. How-

ever, tobacco during 1926 sprang to first importance among field crops, and now promises to become Southern Rhodesia's chief agricultural reliance.

The Rhodesian cattle trade also increased satisfactorily. The embargo placed by South Africa upon light-weight cattle does not appear to have had any marked effect. Indeed, it is stated in Southern Rhodesia that it has proved to be a blessing in disguise, as it is serving to eliminate scrub cattle from that colony. So much of Rhodesia is peculiarly situated for pastoral industries that only the distance from markets prevents the development of stock raising on a large scale. Sooner or later, however, it will be possible to export cattle through Walfisch Bay; and the western portion of Southern Rhodesia, together with the northern marches of Bechuanaland and Southwest Africa, will be the seat of one of the world's largest pastoral industries.

Among mineral products, gold has registered another slight decline. During the year considerable work was done upon platinum and diamonds, but the results of this development will not show for some time yet.

A steady increase in the production of coal and chrome ore occurred. The Wankie fields doubled their exports to the Belgian Congo, and the exports of chrome likewise showed a satisfactory expansion. On the other hand there was a slight falling off in the production of raw asbestos, which is Rhodesia's leading base metal. There was no particular significance in this reduction.

IMPORTS

The imports into Rhodesia during 1926 and 1925, by classes of commodity, were as follows:—

	1926	1925
Foodstuffs	£ 675,982	£ 501,675
Beverages	138,277	118,043
Tobacco and manufactures	158,501	104,865
Textiles and textile products	1,266,337	1,163,797
Metal products, machinery, vehicles	2,251,673	1,495,575
Minerals, earthenware, glassware	68,172	69,470
Oils, waxes, paints, varnishes	354,483	253,474
Drugs, chemicals, fertilizers	289,205	218,229
Leather and rubber products	205,907	153,667
Wood, and wood products	213,973	149,725
Books, paper, paper products	116,203	91,402
Jewellery, fancy goods, instruments	116,274	99,612
Miscellaneous	338,891	293,112
	£6,193,878	£4,712,646

The total import demand improved by 22 per cent, and every class of commodity, with the exception of minerals, earthenware and glassware, registered marked increases.

The most important increases occurred in the divisions of foodstuffs and of metal products. These two classes alone accounted for more than half of the total increase. Yet the trade in every direction was very satisfactory, reflecting the healthy tone of Rhodesian buying power and the marked commercial and industrial progress of the colony.

Among foodstuffs the imports of flour were constant, but about 1,500 tons more wheat was entered. There was no exceptional increase in any other item, but larger imports were registered in a wide range of commodities, notably maize, dairy products, oatmeal, biscuits, confectionery, tinned fish, jams and jellies, preserved meats, condensed milk, potatoes, sugar, tea and coffee.

The increase in beverages was well distributed over all the principal items. A marked increase in tobacco imports resulted from largely augmented sales of South African cigarettes.

Among the textile items, the business was little different from that of the preceding year. A slight loss in native goods was repaired by increased imports of cotton piece goods, haberdashery, and ready-made outerwear.

In the metals, machinery and vehicles division, the imports of agricultural implements were approximately the same as in the preceding year, but considerably larger quantities of electrical and mining machinery were imported. There was a large increase of nearly £200,000 in railway rolling stock.

Among primary iron and steel products, there was an increased demand for bar, bolt and rod iron, and a particular increase in the imports of pipes and piping. The large galvanized sheet trade went up by approximately 50 per cent.

All building hardware showed moderate increases. Fencing wire was stationary.

An increase of about 25 per cent occurred both in the number and in the value of motor cars imported, and this increase was fairly constant throughout the vehicle items.

In minerals and glassware, the only fall off of the year took place, and the loss was too slight to attribute to any particular item. On the other hand, a considerable increase characterized oils, paints and varnishes. Lubricating oils and motor spirits contribute practically the entire amount of the improvement in this class, although a larger quantity of soap and a slightly greater amount of paint products were imported than in the former year. Among drugs, chemicals and fertilizers, the imports of cyanide were up slightly and insecticides also improved their position. The big increase in this class, however, was in fertilizers—a constantly growing trade to which Canada unfortunately does not cater.

Among leather and rubber products, the imports of all classes of footwear improved, and marked increases were also to be noted in the tire and tube items.

There was an improved demand for all imported building materials. The increase in lumber was particularly noticeable. Practically all rough building timbers, as well as floorings and joinery, increased considerably, and the furniture trade likewise developed materially.

The imports of printing paper were on a level with those of the preceding year, but a considerable increase took place in wrapping papers, in paper manufactures, and in stationery.

Among jewellery, musical instruments, fancy goods and miscellaneous items, the demand for phonographs extended considerably. The value of cinema films was up by about 20 per cent, although the footage remained the same. The imports of matches were greater than in the previous year, and there was a considerably greater sale of explosives and miscellaneous industrial equipment.

ORIGINS

The origins of Southern Rhodesian imports were as follows:—

	1925		1926	
	£	Per Cent	£	Per Cent
United Kingdom	2,343,710	49.5	3,050,451	49.3
South Africa	782,641	16.3	1,197,176	19.3
United States	591,275	12.5	808,306	13.2
India	195,369	4.1	212,876	3.6
Canada	174,562	3.7	194,064	3.4
Germany	103,670	2.2	143,405	2.3
Other parts of the British Empire	69,456	1.5	63,163	0.9
Other foreign countries	451,963	9.6	525,427	8.7
	4,712,646		6,194,868	

In the past five years the import trade of Southern Rhodesia has expanded by about 40 per cent and all important suppliers have kept pace in this expansion. Great Britain's increase during that period has been precisely 40 per cent; year by year she has continued to find approximately one-half of all Rhodesia's requirements. In the same five years South Africa has increased her trade by about one-quarter, due to her growing supplies of foodstuffs. American

business has more than doubled, while the trade of Canada and India has almost tripled. Germany, on the other hand, has shown a considerable falling off, and of the other foreign suppliers, Belgium, Japan and Sweden have made very little progress. Among British Empire countries, Australia has not improved her position to any particular extent. In the case of South Africa, her trade with Rhodesia was diminishing for several years, but the 1926 figures show a welcome recovery.

The trade of the principal suppliers follows the same directions as in other parts of the sub-Continent. Great Britain is predominant in imports of every class of commodity except foodstuffs, tobacco and wood products. In foodstuffs and tobacco South Africa leads, and in timber the supplies are largely Swedish. Great Britain experiences severe competition in all classes of metal goods from the United States, and comparatively little competition in other items except motor car tires and tubes, and perhaps in certain specialized lines for the native trade in which the Continent is strong.

India's business is very largely in jute sacks. Sweden has the bulk of the timber trade and little else. France and Italy supply moderate quantities of cheap textiles. The German trade is fairly well distributed over native goods and general European merchandise. It is business that is recovering very slowly.

CANADA'S SHARE

Southern Rhodesia's tariff is strongly preferential. While free trade exists between the Union of South Africa and the Rhodesias, a reservation grants the colony autonomy in the matter of preferences. The average general duty is 20 per cent ad valorem, and the average British preferential duty is 9 per cent. This advantage is sufficient in many cases to give the business to British Empire manufacturers. Moreover, it is likewise sufficient to induce the import of many products through Beira instead of through the Union ports, where the preferential advantage may be lost.

Canadian trade in Southern Rhodesia has increased from £69,176 in 1922 to £194,064 in 1926, and it seems probable that this increase will be continued. The great handicap to Canadian business is the fact that Beira is not included in the South African range of ports, and that consequently goods must be routed either through American ports or with transhipment at Durban. The third alternative is the routing of Rhodesian goods through Port Elizabeth, which is quite satisfactory in so far as the Bulawayo area is concerned, but which is impossible for Salisbury and Eastern Rhodesia, where development is proceeding rapidly. Much business is being undoubtedly lost through inability to serve Beira direct.

Canadian business in Southern Rhodesia follows the same direction as in South Africa. Among foodstuffs, Canada supplies about one-quarter of the imports of wheat and the same proportion of the flour. South African and Canadian are the only flours imported. Canada, however, holds a very small share of the oatmeal business, and furnishes by no means the same percentage of the dairy imports which she supplies in South Africa. It would appear as if in many foodstuffs items, South Africa is a stronger competitor in Rhodesia than she is at home.

In confectionery, the Canadian figures are likewise disappointing, the business being monopolized by Great Britain. The trade in tinned fish, however, is satisfactory, and has increased considerably of recent years.

In condensed milk, Holland and Norway have the bulk of the trade, and in jams and jellies, South Africa is preponderant. Another large South African trade is potatoes, and of the Rhodesian sugar requirements, South Africa supplies something more than two-thirds of the total, the remainder being found by Portuguese East Africa.

The imports of Canadian foodstuffs into Southern Rhodesia totalled £32,159 in 1926, or approximately 16 per cent of the total. This is relatively a greater proportion of the whole than in the case of South Africa, where the Canadian share is about 10 per cent of the total.

The remainder of Canada's trade in Southern Rhodesia is concentrated under comparatively few headings. In agricultural implements she does not possess anything like the same share of the business as in South Africa. To some extent this arises out of the specialized nature of the demand, but to a greater extent becaue the territory has not been given equal attention. In the item of ploughs, whereas Canada supplies approximately 25 per cent of the South African imports, the Dominion only supplies 9 per cent of those of Rhodesia, even though the same companies are represented in both territories. These figures are significant of Canada's failure to develop Rhodesian business.

The same tendency is evidenced in the majority of iron and steel items. In pipes and piping—a trade in which Canada has made marked progress in South Africa during the past two years—the Canadian share of Rhodesian imports is still negligible. The same is true of all lines of builders' hardware and tools and implements. The only strength shown is in the motor vehicle division, in which on account of the heavy preference Canada continues to do well. It seems probable, however, that much of the business in the near future will pass to South African assembly plants.

Canada reappears as an important supplier in the rubber goods imports of Southern Rhodesia. She has a fair share of the canvas footwear trade, and is second only to Great Britain in the supply of motor car tires and tubes.

In timbers and wood products, Canada has made comparatively little impression upon the Rhodesian market, supplying negligible quantities of pine and other rough timbers, and practically no manufactured woods. This arises out of the difficulty of obtaining Canadian ocean freights to Beira. Failure is equally marked in all classes of joinery and furniture.

Canada has done somewhat better in papers. The Rhodesian demand, however, is mostly for flat newsprint, and consequently Great Britain has a larger share than if the trade were in reels. The Dominion leads in the supply of wrapping papers, but this business is not of any particular importance. In stationery, musical instruments, fancy goods, and miscellaneous imports, the Canadian share is negligible.

Of all areas in the sub-Continent, Southern Rhodesia affords the best opportunity to Canadian exporters. European immigration into this colony is increasing more rapidly than into any other area. Both agricultural and mineral industries are developing apace. It seems as though Rhodesia and adjacent territories may come up within the next few years to be world sources of live stock and of base metals. Moreover, the Rhodesian demand is for the most part high-class. The ordinary Rhodesian shop contains a much better variety and quality of article than one finds in a similar South African establishment. Furthermore, the population is entirely British, subsisting on British capital, and their desire to purchase goods of Empire origin is most marked.

Nevertheless it is a little difficult to suggest practical measures by which Canadian trade can be increased in the Rhodesias. For the most part, both Northern and Southern Rhodesia are included in the territories of South African manufacturers' representatives, and rightly so, since there is no agency community in Rhodesia in position to obtain any great share of the colony's business. On the other hand, if a South African agent wishes to tour Southern Rhodesia (omitting Northern Rhodesia, which area is manifestly too new to warrant regular visits), he must travel approximately 3,000 miles to cater to the requirements of about 30,000 Europeans and perhaps 1,000,000 natives. There are few Canadian exports in sufficient demand to make such travelling profitable. Con-

sequently, the South African agent accepts such Rhodesian business as comes his way through occasional solicitation, and for the remainder, allows the territory to look after itself.

To a very great extent sales can be made in London on Rhodesian account easier than within the colony. In every class of article (except perhaps textiles, in which Canada is not particularly interested), the majority of Rhodesian buying is done in London. These buyers are attached to the head offices of the Rhodesian distributors, and are in position to close business without reference to Rhodesia. Moreover, there is much less inclination in Rhodesia to demand the exclusive distribution of any product than in South Africa. Even when such exclusive distribution is demanded as the price of orders, the resultant business is proportionately larger than could be obtained from a similar South African connection. On these accounts approaches to the London offices of Rhodesian firms are often the most satisfactory and profitable. This is particularly true in the case of the larger organizations which have branches in various parts of the sub-Continent.

Southwest Africa

The Mandated Territory enjoyed a satisfactory year during 1926. Agriculture as a whole, however, was affected by the severe drought in the southern section of the territory. This drought reduced all Southwest African field crops as the southern sections alone are suitable for cereals. In the north, which is cattle country, the forage was sustained, and the pastoral industries did not suffer to any marked extent. As stock-raising is the predominant agricultural pursuit in Southwest Africa, the loss of crops was less serious than loss of cattle would have been.

In the mining industries considerable progress was recorded. A marked improvement occurred, as has already been noted, in the recovery of diamonds, the finds increasing by about 35 per cent. In copper and vanadium, the exports were not as great as in the previous year, but a very large amount of development work was done, the results of which will show in the future. Together with South Africa, Southwest Africa is very disturbed at the increasing output of alluvial diamonds, as working costs in the Mandated Territory are considerably higher than in the Union, a condition which makes the threatened glut of stones very serious. During the year, in spite of the large increase in production, the revenue from the diamond industry fell well below the estimates.

GENERAL TRADE

The value of imports and exports by classes of commodities were as follows:—

Class	Imports 1925	Imports 1926	Exports 1925	Exports 1926
Animal, agricultural and pastoral products and foodstuffs	£ 426,410	£ 459,247	£ 542,740	£ 647,220
Ales, spirits, wines and beverages	65,183	68,311	151	343
Tobacco	72,008	79,993	56	188
Fibres, yarns, textiles and apparel	330,023	372,570	3,438	3,682
Metals, metal manufactures, machinery and vehicles	637,566	771,172	775,630	661,264
Minerals, earthenware, glassware and cements	82,713	72,807	1,389,536	1,868,172
Oils, waxes, resins, paints and varnish	106,343	141,453	62,175	57,646
Drugs, chemicals and fertilizers	31,607	36,822	11,720	5,944
Leather and rubber and manufactures thereof	80,866	101,383	1,362	2,070
Wood, cane, wicker and manufactures thereof	92,805	92,611	4,172	5,120
Books, paper, stationery	25,782	30,364	856	1,235
Jewellery, timepieces, fancy goods and musical instruments	35,124	32,687	881	1,062
Miscellaneous	53,179	58,847	15,464	13,730
Specie, parcel post, Government stores	150,242	189,358	20,041	25,305
	£2,189,851	£2,507,625	£2,828,222	£3,292,986

EXPORTS

The principal exports from Southwest Africa during the last two recorded years were as follows:—

	1926		1925	
Copper.. .. ..tons	54,535	£ 502,187	59,813	£ 554,951
Slaughtered cattle .. : .number	42,931	225,553	45,907	241,969
Diamonds .. ..carats	683,024	1,863,860	515,090	1,387,209
Vanadium .. ..tons	1,278	58,333	2,765	123,005
Other	....	643,053	....	521,088
Total		£3,292,986		£2,828,222

Although the trade in slaughtered cattle shows a slight reduction in 1926 over 1925, all pastoral industries are flourishing. Exports of mohair, hides and skins (including goat and sheep skins), went up by a considerable percentage, and the output of merino wool doubled. The meat packing plant at Walfisch Bay exported for the first time, shipping a few hundred tons of preserved meats to the Continent.

IMPORTS

As will be noticed, slight increases were recorded in practically every class of commodity imported, with the exception of minerals, earthenware and cements, in which a reduction in the imports of cement by approximately 8,000 tons occasioned the loss.

Of the three principal classes of imports, which are foodstuffs, textiles and metals, only a slight advance was made in foodstuffs, and a moderate advance in textile products; on the other hand, a marked increase in the imports of metal goods occurred. Among foodstuffs the principal imports are flour, which accounts for about one-seventh of the whole; coffee, jams and jellies, condensed milk, sugar and confectionery. In all these items South Africa is the predominant supplier, enjoying three-quarters of the total trade.

Among imports of textiles, cotton piece goods and ready-made clothing, together with other haberdashery items, comprise three-quarters of the total imports. The imports of native trade textiles are very small. There is no business in this division which would be of any particular interest to Canada. While the statistics show Germany to be predominant in fabrics, the majority of imports reach Southwest Africa through South Africa, and their origin is undeclared. The textile trade of the Mandated Territory appears to be more or less controlled by the large South African wholesale houses.

In the metal goods, machinery and vehicles classes, the imports of agricultural implements are modest. A considerable proportion of the entire demand under this head consists of mining machinery, a trade in which Germany appears to be markedly predominant. There is a fair business in galvanized sheets and in pipes and tubing, but the remainder of the demand for primary iron and steel products is negligible. Fencing, including standards and droppers, however, is a considerable business. The motor vehicle trade is not exceptionally large, representing only about one-eight of the total value of the iron and steel class. For the most part iron and steel imports are distributed over a large number of items, no single one of which is a trade of any particular importance.

ORIGIN OF IMPORTS

Germany enjoys a marked advantage in this territory, both because of the preponderance of German population and because of the steamship services between Germany and Southwest African ports. In a considerable range of commodities, it is almost impossible to compete with her on account of these advantages. Nevertheless, to a large extent the trade of the Mandated Territory remains in South African hands. The wholesale merchants of the Union canvass the few towns at regular intervals. They extend generous credit terms, and in all except staples they represent the best selling connection for any over

seas manufacturer. There is practically no agency community of any importance in Southwest Africa and all the distribution is carried out by general traders.

With reference to possibilities of Canadian trade, no Canadian exporter need trouble much about this area at present. Manufacturers of agricultural implements might be well advised to seek connections there, particularly if they offer lines which are employed in connection with cattle or other pastoral industries. Southwest Africa has a great future as a stock country, and the purchases of a wide variety of equipment are increasing in connection with such enterprises. For practically all other Canadian exports, however, as much trade can be obtained through South African distributors as through direct connections in the Mandated Territory.

Northern Rhodesia

The trade statistics for Northern Rhodesia for 1925 and 1926 were as follows:—

	1925	1926
Exports	£ 432,997	£ 490,382
Imports	1,317,907	1,725,682
Total trade	£1,750,904	£2,216,064

Of these exports, £427,980 in 1926 and £384,695 in 1925 consisted of African produce. The remainder consisted of re-exports of other than African produce. A certain percentage of the African produce exported from Northern Rhodesia originated in Southern Rhodesia and the Union of South Africa, but as all three areas are in a Customs Union, it is impossible to give individual percentages.

The trade of Northern Rhodesia has increased in remarkable fashion during the last few years. In 1922 the value of imports was only £500,321, or about one-quarter of the present figure. Mining activity and the steady improvement in transportation facilities have stimulated the development of the colony and vast expanses of virgin territory are rapidly coming under survey and exploitation.

At present, however, the distribution system of this colony is still primitive. Out of the total imports in 1926, only £216,238, or approximately 15 per cent of the goods imported, came direct from overseas. Imports to the value of £372,024 were removed from South Africa under the Customs Union agreement, and to the value of £1,044,439 from Southern Rhodesia. Thus approximately 80 per cent of all Northern Rhodesian requirements were purchased ex South African stocks, a fact that is eloquent of the lack of development of this territory. Of these purchases less than 25 per cent were of South African or Southern Rhodesian origin. It is therefore evident that Northern Rhodesian purchases at present are so small, so diverse and so scattered that in the vast majority of cases it does not pay to import direct.

The analysis of Northern Rhodesian trade by classes of commodities is as follows:

	Imports		Exports	
	1926	1925	1926	1925
Foodstuffs	£ 193,263	£ 131,990	£143,266	£130,399
Beverages	54,562	38,548	125	110
Tobacco products	27,519	19,473	156,437	99,796
Textile products	376,527	300,536	5,617	7,001
Metal goods	576,982	522,711	76,405	115,287
Minerals, glassware	104,513	67,555	1,993	843
Oils, paints, varnishes	76,482	45,892	1,268	508
Drugs and chemicals	55,580	22,776	55	42
Leather and rubber goods	30,522	21,555	923	1,198
Wood and wood products	56,087	35,103	41,589	27,449
Paper and paper products	19,703	15,134	38	80
Other merchandise	95,842	62,752	1,055	982
Government stores	58,098	33,882	....	....
Total	£1,725,680	£1,317,907	£428,771	£383,695

As may be noted from the above, the gain in imports was distributed over all classes. The foodstuffs increases were particularly in the items of maize, flour, butter, biscuits and confectionery, dried and tinned fish, and condensed milk. In the textile class the most important increases were in native goods. The improvement in metal goods imports was less noticeable than that of other classes, but good progress was registered in agricultural implements, galvanized sheets, builders' hardware, enamelledware, electrical material, and motor cars. The improvement in the minerals class arose from heavy and rather inexplicable imports of South African coal. The increase in the oils, paints and varnishes division resulted from greater imports of lubricating oils and motor spirit, and the drugs and chemicals totals were expanded by considerably larger imports of industrial chemicals for the mines, together with increases in insecticides and fertilizers. The wood and wood products figures advanced through the doubling of the sale of rough timbers, together with smaller increases in manufactured woods and furniture. The chief miscellaneous items consisted of explosives and motion picture films.

ORIGINS

Over an average of five years, Great Britain supplied approximately one-half of the imports of Northern Rhodesia, and South Africa and Southern Rhodesia another quarter. Great Britain's share slipped somewhat in 1926, doubtless because of her industrial troubles. She is, however, the predominant supplier of all the principal imports except foodstuffs, manufactured tobaccos, motor cars, fuel oils, and timbers. South Africa and Rhodesia confine their trade to foodstuffs and to a small range of manufactured articles such as cement, tobaccos, and beverages. Of other parts of the Empire, India and Canada have very small trades and no other section any business of any importance. Of foreign nations, the United States leads by a wide margin, supplying approximately 12 per cent of the total imports. American business has made progress during the past few years, particularly in the machinery and motor car trades. Germany and Belgium are the only other foreign suppliers of any importance, and their share of the trade is negligible in both instances.

CANADA'S BUSINESS

In 1925 Canada sold goods in Northern Rhodesia to the value of £21,014, and in 1926 the figure was £22,913. Of these figures only about 5 per cent was foodstuffs. About one half of the remainder consisted of motor cars. The only other considerable items were tires and tubes and rough lumber. There were no direct imports from Canada; all purchases of Canadian goods were ex stocks in Southern Rhodesia or the Union of South Africa. It is improbable that Canadian trade will increase very greatly as long as this situation prevails, but there is no remedy for it at present. As Northern Rhodesia opens up, and as her distribution begins to be specialized, Canada will supply a greater share of her requirements, but at present the territory is too scattered and unorganized to be of any interest to Canadian exporters.

Central African Group: Mozambique and Nyasaland

It is impossible to give a precise review of the trade conditions in the Central African group of Colonies. With the exception of Nyasaland, the trade returns of none of them are up to date. In some cases they are several years behind. Moreover, the Portuguese colonies are not fiscal entities, there being two tariff monopolies as well as a national tariff in Mozambique and a Congo Basin Agreement as well as a national tariff in Angola. Consequently there are no complete statistics of imports available, and a sum of the entries under

the various tariffs would result in great duplication. In addition, the statistical classifications of the Belgian and Portuguese territories leave much to be desired, there being little detail or differentiation. Finally, the franc and the escudo have fluctuated so greatly during the past few years that monetary values convey no accurate impression of the extent of trade.

It is therefore only proposed to review the situation in this group in general fashion. The distribution systems in the majority of instances are so haphazard, and the commercial communities so limited, that no interests would be served by an attempt at greater detail.

Portuguese East Africa

In the case of this colony, trade statistics are available for 1926 for such territories which are under the National Government. For such territories as are under Chartered Companies, the statistics for 1925 are available in the case of the Mozambique Company, but no recent statistics are available for the territory of the Chartered Compagnia Do Niassa. For general purposes, however, the following figures may be taken as a roughly accurate summation of the trade returns of all tariff divisions of Portuguese East Africa:—

	1925		1924	
	Contos	Dollar Equivalent at 100 Escudos to the Libra	Contos	Dollar Equivalent at 100 Escudos to the Libra
Imports	275,338	$13,766,900	343,740	$17,187,000
Exports	166,207	8,310,350	200,073	10,002,250
Total domestic trade	441,545	$22,077,250	543,813	$27,189,250
International Transit Trade—				
Imports	....	....	862,431	43,121,530
Exports..	908,649	45,432,450	....	....
Re-exports in transhipment	191,748	9,587,400	216,252	10,812,600
Grand total trade..	1,541,942	$77,097,188	1,622,496	$81,123,400

The above figures illustrate the importance of the transit trade through Lourenco Marques and Beira for the Union of South Africa, Northern and Southern Rhodesia, Belgian Congo, and Nyasaland. This transit trade is roughly twice as great as the entire local trade.

Of the imports for domestic consumption, approximately 78 per cent are for territories under the National Government and the remainder is divided between the areas controlled by the two Chartered Companies.

Of the exports, about 85 per cent originate in territories under the National Government. These percentages are only approximate, as it is almost impossible to reconcile the various statistics obtainable from the different sources.

STATE OF TRADE

The trade of Portuguese East Africa is dominated by the financial position, and the financial position is dominated by the endeavours of the Government to support a State Bank whose note issues are incontrovertable into world currencies. The inflation of the escudo has cheapened it so that all business would be transacted on a sterling basis if such procedure were not forbidden by the Portuguese East African administration. As it is, the escudo circulation in 1925 was thirty times greater than in 1914, and its progressive depreciation has made commerce in such medium almost impossible.

While the Lisbon Government has come to the aid of the colony on a number of occasions, making heavy loans for the purpose of stabilizing the exchange, these loans seem to be absorbed without appreciably affecting the

situation, and insofar as Canadian business is concerned, sterling represents the only medium of exchange which can be relied upon. Moreover, debts are practically uncollectable upon any except British concerns in this colony at present, and the course of trade must be governed by this condition.

It should be noted, however, that during 1927 a marked improvement in the escudo has occurred with a diminished discount on sterling. Nevertheless, for the present, Canadian trade in this colony should be conducted with the above remarks in mind.

EXPORTS

The available statistics indicate that there was a falling off in the export trade of the colony of approximately 15 per cent in 1925 over 1924; but on account of the extreme fluctuation of exchange, this percentage is only approximate. Nevertheless there was slightly less tonnage of the principal products shipped during 1925. Sugar showed a marked decline, the exports dropping from 36,167 tons to 22,912 tons. Among other crops, raw cotton showed a small decline, and the exports of ground nuts were halved; on the other hand, considerable increases occurred in the exports of maize, sisal and cotton seed. It is understood that during 1926 the acreage of all principal crops has increased.

IMPORTS

There are no available statistics for the total imports of the colony during 1926, but as the territories under the national tariff absorb approximately 80 per cent of the total imports, the following figures, which exclude territories governed by chartered companies, may serve as a rough guide:—

	1926		1925	
	Contos	Dollars	Contos	Dollar Equiv.
United Kingdom..	84,045	4,202,250	117,443	5,872,150
Portugal	32,320	1,606,000	38,012	1,900,600
South Africa	36,660	1,833,000	33,021	1,651,050
Germany	35,848	1,792,400	31,571	1,578,550
United States	17,906	895,300	18,565	928,250
Other countries	47,362	2,368,100	31,078	1,553,900
Total	254,141	12,697,050	269,690	13,484,500

The imports of foodstuffs are of no great importance as the native population subsists upon indigenous supplies. Small quantities of flour and condensed milk, and a considerable trade with South Africa in potatoes, summarises the extent of the general foodstuffs imports. In Beira and Lourenco Marques, where there are European populations, the demand is analogous to that of the Union; but as a whole, the colony is self-sufficient in vegetables, meats, fishstuffs and cereals.

As in other primitive territories, the cotton piece goods trade is the most important single business, and these textiles in demand are of a type which Canada does not manufacture. This trade is monopolized by Great Britain in all except the coarser qualities, which are supplied from India. An important subsidiary import, however, that of cotton blankets, is fairly well distributed between Holland, Belgium, and Portugal. There is no other textile trade of any importance, and the only haberdashery or furnishing item which is prominent in the trade returns of this province is that of boots and shoes, which likewise are supplied from Portugal.

Among metal products and building materials, there were heavy imports during 1926 of a number of machinery and agricultural items. These imports, however, were not for general distribution; they represented purchases by concessionnaires for their own use. Such business is usually placed by the offices of such concerns in Lisbon or London, and seldom if ever could orders for

such goods be booked in the colony. The backward nature of the territory is evidenced by the automotive imports, only 84 vehicles having been brought in during 1925. The value of wines imported was almost six times as great as that of motor cars.

The statistics, incomplete as they are, show the preponderant influence of Great Britain in the trade of this territory. As mentioned in earlier sections of this report, the exploration and initial development of Portuguese East Africa was carried out under British auspices and the industrial, commercial and traffic communities still have extensive British affiliations. While Portugal, through the medium of various preferences, supports the sale of her goods, her range of manufactures is not extensive enough to challenge British predominance. Only in wines, tinned foodstuffs, boots and shoes, and proprietary articles does Portuguese competition become marked.

The considerable South African trade arises through the advantage of proximity, as well as through the intimate relationships which exist between the Mozambique and Union commercial communities. Coal is probably the greatest single trade, but quantities of South African flour, potatoes, cement, and timber are likewise imported. Rhodesia also ships a certain amount of coal, foodstuffs and tobacco into Portuguese East Africa. Germany is a competitor in mining machinery, cutlery, agricultural implements, cement, and in a limited range of cotton piece goods. The trade of the United States is restricted to automotive supplies, oils, and agricultural implements. Belgium competes strongly with Great Britain in primary iron and steel products, and France enjoys a moderate share of the trade in motor cars, proprietary articles, and wines and liquors.

CANADIAN TRADE

No Canadian business of any dimensions could be traced in Portuguese East Africa. As Lourenco Marques and Beira are optional calls for the Canadian-South African steamship service, transhipment is often necessary at Durban, and this added charge injures the possibility of business in staple requirements such as flour and cement, in which Canada is in a particularly favourable position to compete. Beyond a few shipments of flour, some Canadian tinned fish, and small quantities of agricultural implements, the Mozambique market has been untouched by Canada in the past. It is improbable that the near future holds any great possibilities for the majority of Canadian manufactures, but Canadian exporters of the principal requirements as indicated in this report would be well advised to seek selling connections in this territory.

NYASALAND

In common with other British colonies, the Nyasaland trade returns are up-to-date and comprehensive. The principal statistics for the past two years are as follows:—

	1926		1925	
	Imports	Exports	Imports	Exports
Food, drink, tobacco	£ 74,571	£522,026	£ 45,498	£412,561
Raw materials	22,474	124,023	6,676	129,459
Manufactured goods	651,198	......	507,739	......
Miscellaneous	42,811	25,037	31,741	22,905
Total	£791,054	£661,086	£591,654	£564,925

The increase both in imports and exports (18.7 per cent in exports and 33.7 per cent in imports) is in keeping with the trend of Nyasaland trade during the past five years. During that period the total trade of this Protectorate has increased by no less than 53 per cent. The unfavourable trade balance is a new feature in Nyasaland returns, and was due, during the year under

review, to the bad weather which destroyed a considerable portion of the food crops, and the break in cotton prices, which resulted in a much lower return from a considerably larger acreage than in the preceding year. In summarizing the outlook for the future, the Comptroller of Customs in his report for 1926 states:—

Prospects of trade for the forthcoming year are bright and an optimistic view can be taken of the future. Native trade will be better than ever. The large sums of money which have been, and will be, put into circulation in the purchase of native-grown crops of tobacco, cotton, and (this year) maize will continue to swell the demand already created for better-quality cotton manufactures and blankets, cheap lanterns and hollow-ware, and last, but by no means least, bicycles and sewing machines. It may be mentioned here that the incidence of native trade goods is upwards of 40 per cent of the total imports. Largely increased importations of the lighter agricultural machinery and motor vehicles (especially power lorries to be used as feeders to the railway) are anticipated.

EXPORTS

In 1926 tobacco comprised 61 per cent of the total exports, cotton 20 per cent, sisal and tea about 8 per cent each. There were no other export crops of any particular importance. Under the impetus of Imperial preference, tobacco production is extending very rapidly; in the last three years the shipments to Great Britain have increased sixfold. Cotton production was stationary during the year under review. The break in prices resulted in a slight restriction of acreage; moreover, a heavy carry-over from the former season was released when it became evident that prices were not going to improve.

Sisal and tea are still little more than experimental crops. The popularity of tea cultivation, however, is very marked, and it is anticipated that within five years tea will be one of the Protectorate's important industries.

At present almost the entire exports of Nyasaland (97.6 per cent of their total value) are absorbed by Great Britain.

IMPORTS

The very marked increase in the imports of food, drink, and tobacco (from £45,498 in 1925 to £74,571 in 1926) is largely accounted for by the failure of the maize crop in the Protectorate. The imports of grains and flours rose from £3,431 in 1925 to £22,242 in 1926. This trade, however, does not interest Canadian suppliers, as most of the increased imports consisted of maize and maize meal for native consumption. Nevertheless, considerable increases are likewise to be noted in a number of articles of European consumption such as beers and spirits, provisions of all sorts, and sugar. The volume of none of these imports, however, is sufficient to warrant the attention of Canadian shippers at present.

Among raw materials, coal and timber showed the chief increases. The requirements in both items are furnished from contiguous territories such as Rhodesia and Portuguese East Africa.

Among manufactured articles, the imports of cotton piece goods were up by almost 50 per cent, but a corresponding decrease was to be noticed in the imports of native blankets. Very considerable increases occurred in the majority of important metal goods items. The sales of agricultural implements, machinery, and motor cars advanced sharply, illustrating the prosperity of the planters. A more diversified demand in almost every department of the metal goods trade was to be noted, which pointed to the emergence of the native as an intelligent purchaser.

It is difficult to discover the precise percentage of Nyasaland trade which is held by the various suppliers, as a large portion of her purchasing is done ex stocks at her entrepôt of Beira, and in Nyasaland customs returns such items are not credited to their country of origin. During 1926 Great Britain

supplied approximately 45 per cent of all direct imports and probably another 10 per cent through Portuguese East Africa. Portuguese East Africa is the second supplier, with 17 per cent of the total trade. India furnished about 12 per cent of the imports, her share largely composed of cotton piece goods; Germany about 6 per cent; and the United States about 4 per cent of the total. All foreign suppliers are interested in the native goods trade, the European and industrial requirements being almost entirely supplied by Great Britain.

The only imports from Canada which show in the Nyasaland returns are a few motor cars, and this business has now passed to South African assembly plants. There are comparatively few items of Canadian manufacture for which there is any great demand in the Protectorate at present. It would be as well, however, to remember this territory as one of the richest in all Africa in its potentialities, and with the growth of its buying power a market for many Canadian commodities will be created.

Belgian Congo

The last Congo statistics which are available for comparison purposes are those of the fiscal years 1924 and 1925. Fortunately, during those two years the franc was fairly stable, averaging between 98 and 103 to the pound sterling; or on the price of sterling at that time, about 22 francs to the dollar. The principal statistics, if converted on this basis, were as follows:—

	1925		1924	
	Francs	Dollar Equivalent	Francs	Dollar Equivalent
Imports..	981,645,000	44,620,227	551,645,000	25,074,772
Exports	628,574,000	28,571,545	477,004,000	21,682,000
Total trade. ..	1,610,219,000	73,191,772	1,028,649,000	46,756,772

As evidence of the rapidity of the development of this rich territory, it should be noted that the value of the import trade has tripled in four years, and that the value of exports has more than doubled in the same period. While some share of this increase is artificial owing to the depreciation of the franc, yet for the past few years development has been proceeding apace in the Belgian Congo, and no part of Africa has shown more uniform progress.

As noted in earlier sections of this report, the trade of the Belgian Congo is really two trades—that of the Lower Congo and that of the Katanga. This division is not only geographical. The Lower Congo is entirely agricultural in its industries and the Katanga almost as completely a mineral territory. Moreover, the Katanga native population is to a much larger degree detribalized and responsive to European influences than that of the Lower Congo. This circumstance naturally affects the demands of this population. In the Lower Congo a very high percentage (perhaps 80 per cent) of all imports are entered for native consumption and consequently the demand covers a restricted range of commodities; whereas in the Katanga a larger white population and the employment of natives in industry rather than agriculture has created a market for many classes of goods which are unsaleable in the Lower Congo.

EXPORTS

During the years under review the chief exports were as follows:—

	1925		1924	
From the Lower Congo:	Francs	$	Francs	$
Rubber	10,916,000	496,182	3,540,000	161,364
Palm oil..	46,736,000	2,124,364	30,790,000	1,399,545
Ivory..	33,216,000	1,509,818	31,248,000	1,420,364
Palm nuts	100,531,000	4,546,864	56,156,000	2,552,545
From the Katanga:				
Gold	33,185,000	1,508,409	43,481,000	1,976,409
Copper	273,281,000	12,421,864	223,517,000	10,159,102
Miscellaneous products.	131,209,000	5,963,909	88,272,000	4,012,091
Totals	629,074,000	28,571,410	477,004,000	21,681.420

The feature of the years under review was the large increase in the exports of products of the oil palm. For many years this industry was a purely native enterprise, as it remains to this day in some of the British West African colonies. The production therefore was uncertain from season to season. Within the past few years, however, a number of European companies, notably the great British soap combines, have developed extensive oil palm plantations which are beginning to come into bearing. The native gathering of wild nuts will only be subsidiary to the main cultivated crop in the future.

The other Lower Congo exports such as ivory, rubber, copal, and cotton did not register any particular improvement during the years under review.

IMPORTS

Of the imports during 1924 and 1925, approximately 14 per cent consisted of foodstuffs and beverages; 23 per cent consisted of soft goods and clothing; 16 per cent of hardware, metal goods, and machinery; and the remainder of unclassified articles. Of the principal items differentiated in the Congo customs returns, fourteen are of foodstuffs and beverages; twelve are soft goods, tissues and clothing; sixteen are hardware, metal goods, and machinery; and thirteen principal items do not fall under any of the preceding categories.

Of foodstuffs and beverages the chief import is that of fish, fresh, salted, dried and otherwise preserved. This is a staple article of native diet. The trade in this commodity amounted to approximately half a million dollars in 1925. It is very largely a Lower Congo trade, the fish being imported from contiguous territories. Second only to fish in importance is the item of preserved meats, of which the value of importation in 1925 was approximately $350,000. This is very largely a Katanga trade, due to the growth of the mining industries in that province. Supplementary foodstuff imports were butter, to the value of about a quarter of a million dollars annually; tinned fish of approximately the same valuation; flour of a value of slightly over $200,000; and condensed milk of roughly the same value. The imports of salt and sugar are both considerable, the values in 1925 being approximately the same as those of flour and condensed milk. Preserved vegetables and fruits were moderately important imports, each being valued at well over $100,000 in 1925.

It is interesting to note that next to machinery items, foodstuff imports would appear to be increasing most rapidly. The volume of practically every principal foodstuff import (with the exception of maize and flour) increased considerably during 1925. The most marked increases were in the items of preserved fish, which nearly doubled; in salt, which actually doubled; and in preserved meats, which showed an improvement of 50 per cent over the preceding year.

The trade in beers, wines, and spirits is very considerable in this tropical colony. It amounts to something over one million dollars annually, of which roughly two-fifths are wines, two-fifths beers, and the remainder spirits.

Among soft goods, haberdashery and clothing items, the native piece goods trade is, of course, of prime importance, its value in 1925 being well over $4,000,000, or approximately 60 per cent of all soft goods imports. The trade consists of printed and dyed goods of types not manufactured in Canada. Of other items under this head, trade in men's clothing amounted to about three-quarters of a million dollars, and the trade in lingerie, millinery, and manufactured soft goods was valued at about the same figure. The business in boots and shoes was worth something over $200,000 during 1925. These were the chief items of general interest under this head.

Among hardware, machinery, and metal goods items, the largest single import in 1925 consisted of approximately two million dollars' worth of steel rails for the Central Congo Railway. Rolling stock for the same railway

accounted for another $1,300,000, and boats and steel barges for something over $1,500,000. The sum of other machinery items came to about the same total. The imports of automobiles amounted to about three-quarters of a million dollars, and bicycles and motor cycles contributed another $150,000.

Among general metal imports, tinplate goods and hollow-ware for the native trade were by all odds the most important entries. In the years under review the value of such imports amounted to about $650,000. Hand tools and implements were only slightly less in value. Corrugated sheets to the value of about $450,000 were supplied. The imports of machine tools, enamelled goods, and builders' hardware were likewise of considerable dimensions.

Business in all classes of metal goods is expanding rapidly, due to the exceptional industrial activity attendant upon the building of the Central Congo Railway, the opening of the Katanga mines, and the development of palm oil plantations in the Lower Congo. It is probable that for several years to come this demand will continue to show corresponding increases.

Of items which do not fall in the preceding classes, fuels constitute the largest imports. In 1925 the Belgian Congo paid for coal, patent fuels, and coke approximately $2,000,000. Although limited coal deposits are being worked in the Katanga, this territory will be sustained by imported fuels for a long time to come. In addition to coals, fuel oils account for about one-half million dollars annually.

Another miscellaneous import of very considerable importance is that of prepared and proprietary medicines. In comparison with other imports, the demand for such preparations is enormous, being valued at no less than half a million dollars during 1925.

The value of the imports of manufactured tobacco is in the neighbourhood of $350,000 per annum and of paper about a quarter of a million dollars. In the same period, other miscellaneous items of importance were cement (to the value of $150,000 in each year), and paints and varnishes, to about the same value. Soap and rubber tires were smaller, but still important requirements.

SOURCES OF ORIGIN

During 1924 and 1925 imports into the Belgian Congo originated as follows:—

	1925		1924	
	Francs	$	Francs	$
Belgium..	491,091,000	22,332,318	275,139,000	12,506,318
Great Britain	112,211,000	5,100,500	55,139,000	2,506,318
Rhodesia	60,890,000	2,767,727	42,729,000	1,942,227
Germany	47,206,000	2,145,727	20,788,000	944,909
France	33,836,000	1,538,000	18,737,000	851,681
United States	31,890,000	1,449,545	17,021,000	773,681
Union of South Africa	28,234,000	1,283,363	20,760,000	943,636
Other centres	176,287,000	8,013,045	101,332,000	4,606,000
Totals	981,645,000	44,620,225	551,645,000	25,074,770

The preponderance of Belgium in the trade of her colony has increased steadily. This is due to many factors, chief of which is the monopolistic nature of the majority of the Congo enterprises. Even when foreign capital is involved, concessionaires are usually required to employ a percentage of Belgian materials and labour. A great gain in Belgian trade has resulted from Katanga development. Much British money is invested in this copper monopoly, but the concession is controlled and operated from Brussels. As a further aid to Belgian predominance, the mother country buys approximately three times as much from the Congo as any other customer.

The weakest showing of Belgium is in the foodstuffs classes, where (barring beverage items, preserved vegetables, and sugars) the majority of the imports

are of foreign origin. In raw materials likewise such as timber, petrol and other oils, coal and coke, most of the supplies come from abroad. In two items in this class, however (manufactured fuels, briquettes, and cement), Belgium supplies a large portion of the demand.

The situation changes entirely when manufactured products are considered. In practically every item (barring cotton tissues) Belgium is the predominant supplier. This predominance is most firmly marked in the metal goods classes, in which foreign countries only enjoy a small percentage of the trade.

Great Britain is established beyond question as the Congo's second source of supply. Her trade has, during the last few years, kept pace with that of the mother country. Her strength, as in other primitive countries, lies in her cotton goods business. (In prints, however, she has been overhauled during the last few years by Continental competitors.) She likewise competes strongly in a few iron and steel items and she has a small share of the trade in preserved foodstuffs.

Rhodesia, which ranks third as a supplier to the Congo, is the chief source of fuel supply. During 1925 the Wankie area shipped 68,659 tons of coal and 134,655 tons of coke to the Congo; it now has forward contracts which increase this tonnage considerably. Rhodesia also has an excellent small trade with Katanga in live cattle and other foodstuffs.

Germany, which is fourth in importance in the Congo trade, shows strength in native goods, particularly in enamelled and stamped wares, and in the supplies of tools and implements. Her share of the cotton trade is negligible. The chief items supplied by France are wines. France also has a share of the soft goods trade, and small portions of the cotton piece goods and motor car businesses. South Africa is the source of small quantities of foodstuffs. The United States ships little to this market except motor cars and motor fuels.

CANADIAN TRADE

In the Belgian Congo, as elsewhere in the hinterland of Africa, Canadian goods are unknown, and for the same reason as elsewhere. The general trader is still the paramount distributor, and he buys where he sells—that is, in London and Brussels. In so far as the native trade is concerned, the goods which he wants are not obtainable in Canada. In relation to European requirements, he takes comparatively little interest in the source of his purchases, leaving this to his overseas connections. It is therefore much easier to sell goods for the Congo in London and Brussels than in the Congo. Furthermore, the Katanga merchants in the past have not been aware of a steamship line from Canada to the South African range of ports.

There is, however, a limited amount of business available there. In staple trades, Canadian flour and fish can be sold, and within the next few years, at the outside, there will be a considerable market for agricultural equipment of all kinds. For anything except staple lines, however, the market is not yet developed to the point where it is worth the Canadian manufacturer's consideration.

Angola

There are no statistics from Angola sufficiently recent or sufficiently comprehensive to serve as a basis for the review of the trade of that colony. The enormous fluctuations of the colonial escudo, together with the various Customs zones, make it almost impossible to indicate the value or amount of the trade of the territory. Furthermore, the latest available returns are several years old. It will therefore be impossible to do more than sketch the course of commerce in this area.

During the past two years, Angola has made very considerable strides towards repairing her former desperate position. While currency troubles and many other commercial handicaps still exist, the development of the hinterland of this territory has been proceeding rapidly. The construction of the Lobito Bay railway has opened up a tract of extraordinarily fertile land in the uplands of the interior, similar to the Kenya highlands, but much more temperate in climate. Settlers are coming in, and the principal crops are known to have increased considerably during the past two seasons. Moreover, the mineral enterprises, particularly diamond washings adjacent to the Kasai river, which forms the northeastern boundary of Angola, have made marked progress of late. In the coastal tropical agriculture belt there has been similar expansion.

EXPORTS

The principal exports are coffee, palm oil products, and maize. The new railway is serving to open up excellent coffee areas, and the future of this crop is very bright. In the coastal areas the same situation has developed as in the Lower Congo; the gathering of wild nuts by the natives is decreasing, but European concessionaires are planting large areas which are now coming into bearing. In bulk, maize is the largest single export, and this crop likewise benefits immensely from the construction of the Lobito Bay railway.

Subsidiary exports are wax, sugar, hides, rubber, cotton, and rice.

IMPORTS

On account of the highly preferential shipping and tariff decrees, Portugal is the chief source of imports into this colony. In the last recorded year, of the total volume of imports, Portugal, Great Britain, and South Africa each supplied about one-quarter of the incoming tonnage, and the remaining quarter was divided between all other suppliers. But in value, over 50 per cent of all imports were Portuguese, Great Britain's share being about 16 per cent, and South Africa only supplying 4 per cent of the total. Germany, Belgium, and the United States are the only other countries which figure in the returns to any particular extent.

Portugal is pre-eminent in the supply of almost every class of commodity. She has the bulk of the piece goods business in all except drills and bleached goods, which are obtained from Great Britain. Portugal's only competition in strictly native textiles comes from Germany, in very low qualities. In the pre-war period much of this trade was British, but the exchange, more than any other factor, has destroyed Great Britain's share. In the foodstuffs division, there is a considerable import of flour from Portugal, and some Canadian and American flours sometimes reach the colony via the mother country. Beverages, barring beer, which is German, are largely Portuguese. Much of the hardware imported, although credited to Portugal, has originated in other countries, being routed via Lisbon in order to reap the benefits of discriminatory legislation.

Great Britain's trade consists of a small quantity of cotton piece goods, the majority of the galvanized sheets, a growing import of British tinned and prepared foodstuffs, ships' chandlery, coal, jute sacks, tobaccos and cigarettes. A considerable amount of British capital is invested in Angola, and as the Lobito Bay railway is a British enterprise, these circumstances support the demand for British products.

In addition, a considerable quantity of British goods reach Angola from Portugal. An instance which will be of interest to Canadian manufacturers is the import of a large number of wooden bungalows from the United Kingdom by the Angola Government, for the housing both of Europeans and native employees.

Germany's trade covers a certain quantity of cotton prints, the majority of the cutlery, tools, and hollow-ware, most of the cement, a share of the agricultural implements and the railway material.

The imports from the United States are restricted to fuel oils, oil well and mining machinery, and a few other hardware and metal goods lines.

The South African trade results from contiguity, a wide range of goods being exported. The majority of the South African exports consists of imported goods.

No information upon Canadian imports is available. Canadian tinned foods, cement, building materials, and timber could be sold in Angola if it were not for the isolation of this colony, in so far as Canadian trade routes are concerned.

East African Group; Tanganyika; Zanzibar

One marked difference must be noted between the South African area and the East African territory.

A profound social divergence exists between the British and the Africander attitude towards the native. In South Africa and adjoining territories, the native has been detribalized in order to become the servant of the European. As he has no longer a peculiar social existence of his own, he tends to adopt European customs and to become a consumer of European goods. On this account the trade of South Africa, Southwest Africa, Southern Rhodesia, and (to a lesser degree) Northern Rhodesia, is in many respects a European trade. What the white man uses to-day the native will be demanding to-morrow. The manufacturer of any European commodity can regard the 10,000,000 natives south of the Zambesi as potential customers. They may not have the buying power to-day or to-morrow, but their desires are parallel to those of the European population.

An entirely different situation prevails in East Africa. There, to a large extent, the aboriginal tribal society has been sustained by the British authorities, and the natives, even when in touch with Europeans, do not endeavour to any particular extent to conform to European practices and usages. The native's customs and requirements remain those of his tribe, and not those of the white settlers. Moreover, the native tribes of the East Coast have profited from heavy infusions of Arab, Indian and other alien bloods, and the vigour drawn from these strains prevents the native peoples from too rapidly deserting immemorial customs and practises in order to ape the European.

When this interesting sociological condition is translated into economic terms, one finds the range of East African imports narrowed and the business highly specialized. The native requires very few commodities in his tribal life, and those commodities are of a precise nature. As an illustration of the difference between East Africa and South Africa, second-hand clothing is an immense Kaffir trade among the political divisions of the South African group. The majority of South African natives are clad in the cast-off raiment of Europe. In East Africa second-hand clothing is unsaleable; the natives wear their own distinctive garments. The business therefore is in cotton piece goods, and it is an extraordinarily specific and precise trade. Not only can the cotton piece goods demand of East Africa be forecasted, item by item, at any time, but the quantities, volumes and prices may be stated in advance without the slightest difficulty, given a base price for cotton. The demand is ultra-conservative; originality is a proof of unworthiness. The very piece goods themselves are in many cases tagged in the native tongue with the names of individual suppliers, and no other supplier need offer that particular item. To supply such a demand imposes very definite obligations upon manufacturers, and those who make goods for such custom make precisely what the customer wants. It is not too much to say that 50 per cent of the total imports into East Africa are made to

order for that territory by suppliers with many decades of experience in the trade, whose brands are sufficient to sell the goods, and who know down to the last detail the necessities and intricacies of their particular businesses.

Such a condition, of course, restricts Canadian possibilities, as few Canadian manufacturers are in position to compete with the older trading nations in such specialized manufactures.

The foregoing remarks, of course, apply solely to the native trade. It is impossible to decide without exhaustive analysis what proportion of the imports of these East African Colonies go into native consumption and what proportion is entered for the European population. The European population of the British East African group, although only numbering 15,119 at the last census, have a very high purchasing power, due to the amount of capital invested in the principal East African agricultural enterprises. As a rough indication, however, one might say that about 35 per cent of all imports are entered for European consumption, and the remaining 65 per cent consists of a very limited range of commodities manufactured to the order of the various constituents of the native population.

DIVERSITY OF EAST AFRICAN BAZAAR TRADES

After the strong warnings in earlier chapters of this report, against Canadian manufacturers attempting the bazaar trade of East Africa, it may be thought unnecessary to dwell upon their diversity and varying risks. But it is only fair to note that the situation is much better in some areas than in others. For the moment (spring of 1927) the Uganda bazaars are innocuous, since they cannot purchase anything at all. The break in the price of cotton has left that Protectorate financially impotent, and no business need be expected until conditions have improved. The Uganda bazaars, however, are of little interest to Canadian firms even in prosperous times. Due to the excessively high freight rates upon the Uganda Railway, it is impossible to import more than a handful of staples for native consumption. The Buganda (Uganda native) cannot afford imported foodstuffs, since the freight rate from seacoast to Kampala, the chief distribution centre, is 5d. per pound. He cuts his coat according to one piece of cloth, and he gets along well with a bare minimum of metal goods. The Uganda bazaars therefore show little except cotton cloths, soap, lantern, ghee (clarified Indian butter), legumes and grains, knives, matches, and a little smallware of types which Canada neither manufactures nor employs.

The Kenya bazaars at present are even worse off than those of Uganda, not because business is as bad at the moment, but because they are operated upon a larger scale, and their commitments are greater. Mombasa is the largest distribution centre and the largest bazaar in East Africa, and there produce speculation is rife. As a result, the Mombasa bazaar presents a high degree of commercial uncertainty, particularly as it serves as the wholesale bazaar for all of East Africa. Moreover, the population of Mombasa is thoroughly cosmopolitan, incorporating Arab and Goanese elements in its commercial community in addition to Indians. It is of anything more heterogeneous in composition than any other community, and this circumstance likewise makes for risk.

In Zanzibar there is little business beyond the bazaar. In an economic sense, Zanzibar is an Indian island. There are less than three hundred Europeans in the Sultan's dominions, and the half dozen of the largest East African corporations who have branches there only import in order to supplement their export business. The larger bazaar merchants are more intimately connected with Bombay than with East Africa. The fact that Zanzibar only has one crop—cloves—whose fluctuation is not usually very marked, makes the atmosphere of the Zanzibar bazaar more healthy than that of Mombasa. But here likewise the speculative nature of the general trading creates a very unstable credit

system. Many of the firms have no capital behind them, and have no commercial morality. It is fair, however, to note the presence, both in Zanzibar and in Dar-es-Salaam, of a few Indian firms of unquestionable financial ability and integrity, firms which operate in a variety of enterprises and have unusual resources behind them.

The Dar-es Salaam bazaar is undoubtedly the healthiest of all East African bazaar trades. Due to the readjustment of the war period, with its consequent restrictions upon credit, and also due to the less speculative nature of sisal and coffee, the principal Tanganyika crops, the bazaar trade of Tanganyika is less risky and more stable than that of the other centres. A walk through the bazaar shows a much greater diversity of stock, which is a sure sign of better demand and greater turnover. Moreover, the German wholesale merchant houses which were predominant in East Africa before the war are re-establishing themselves in Tanganyika more easily than in Kenya, Zanzibar and Uganda, and such houses have exceptional experience in dealing with the bazaar trades.

Tanganyika

For some years after the war Tanganyika remained very depressed, due in part to the destruction of estates, and the lack of cultivation for four years, and also because of the doubt regarding the political future of the territory. Furthermore, when the German estates were sequestrated, and auctioned after the war, they fell in large part into the hands of speculators, and for a long time there was little improvement in the principal crops of the territory. However, Tanganyika turned the corner in 1923, and her record since then has been one of continued progress. The direction of pre-war commerce in Tanganyika was commented upon in some detail in the first section of this report.

In submitting his report for 1926, the Tanganyika Controller of Customs wrote as follows:—

> There have been more than the usual number of bankruptcies among the smaller Indian firms, due chiefly to the gradual reintroduction of the system of long credit, which is led by the German firms who are anxious to regain their footing in the market. Exporting firms do not seem to realize that long credit to the importer begets similar credit to the up-country merchant, who cannot resist the temptation to gamble when he has the use of other people's money. The inefficient book-keeping methods of the average Asiatic trader render it exceedingly difficult to bring home to defaulters offences against the bankruptcy laws.
>
> The year ended with the bazaar in a very healthy condition and stocks somewhat below normal.

The principal statistics of trade for the last two recorded years were as follows:—

	1926 £	1925 £	Increase Per Cent
Exports	3,025,978	2,901,315	4.3
Imports	3,152,422	2,863,917	10.7
	6,178,400	5,765,232	

For the first time in recent years an excess of imports over exports is shown. This is largely the result of increased imports of Government material for public work.

EXPORTS

The principal domestic exports (omitting the Uganda and Belgium Congo transit trades) were as follows:—

		1926		1925	
Sisal	Tons	25,022	£ 911,293	18,276	£ 688,451
Coffee	Cwts.	130,793	495,199	120,186	481,055
Cotton	Centals	109,450	427,437	100,848	540,481
Ground nuts	Tons	15,867	254,903	9,055	178,685
Hides and skins	Cwts.	41,907	164,435	53,225	240,165
Copra	Tons	7,348	152,228	7,623	160,800
Other exports			620,483		611,678
			£3,025,978		£2,901,315

On account of the numerous challenges of Great Britain's administration in Tanganyika, it is interesting to compare the exports of 1926 with those of the last year under German administration.

In 1913 sisal was the only crop of any particular importance. In 1926 the volume of this crop was two-thirds greater and the value one-third greater than in 1913. In spite of the break in cotton prices, the value of cotton exports was three times greater than in 1913, the value of ground nuts two and a half times greater, the value of coffee ten times greater than in the last pre-war year. With the exception of hides and skins, and beeswax, which are very minor products, there was no commodity produced in Tanganyika in 1913 whose 1926 output was not greatly in excess of the best pre-war figures.

Of Tanganyika exports, sisal, cotton, and coffee are outstripping all others. As a matter of fact, these export crops are growing so rapidly as to cause very considerable concern, since the natives are neglecting food crops in order to produce exports. Every encouragement is being given to diversity in cultivation, and successful rice and other grain crops, which do not show in the exports, are beginning to play a considerable part in the economic development of this territory.

IMPORTS

The principal items which supplied more than 1 per cent of the total import trade of Tanganyika during 1925 and 1926 were as follows:—

Articles	1925 £	1925 Per Cent	1926 £	1926 Per Cent
Cotton piece goods	954,689	33.3	817,576	25.9
Foodstuffs	205,883	7.2	255,026	8.1
Building materials (including cement and galvanized sheets)	114,722	4.1	140,625	4.4
Kerosene and motor spirits	80,219	2.8	118,023	3.7
Spirits	36,423	1.3	37,880	1.2
Tobacco	23,903	0.8	30,301	1.0
Machinery	115,967	4.0	162,274	5.1
Iron and steel manufactures	294,271	10.3	297,724	9.4
Cigarettes	30,995	1.1	34,892	1.1
Wines and beer	24,306	0.8	30,126	1.0
Rice	37,579	1.3	43,099	1.4
Sugar	38,918	1.4	51,120	1.6

These figures reveal the preponderant importance of cotton piece goods. Normally this trade comprises about one-third of the total imports of the territory. The slump during 1926 was not due to lowered buying power, but to a heavy carry-over from the preceding year, together with a considerable import of duty-paid goods from Uganda, which does not show in these figures. As Uganda's purchasing power is based entirely upon cotton, and as cotton failed during the year under review, a considerable volume of the piece goods imports was switched to adjoining territories where the trade was better. This circumstance served to curtail Tanganyika's overseas purchases to some extent.

The higher imports of foodstuffs are the result of the increases in European population, as, with the exception of rice and sugar, which are entered under separate headings, and ghee, and small quantities of salt fish, there are no foodstuffs imports of any importance for the native trade. During 1926 the imports of flour increased by about 15 per cent and there was an increase of almost 50 per cent in general provision items. Condensed milk, tinned fish, biscuits and confectionery, butter and cheese, are all small trades, but they all showed appreciable increases. In the beverages and tobacco division the imports of whisky were stationary. There was, however, a small increase in cigarettes and manufactured tobaccos.

Among building materials, the imports of rough lumber increased very considerably, being about three times the volume of 1925. A similar increase was to be noted in galvanized sheets. The cement imports were up by about 1,000

tons over the preceding year, and appreciably larger quantities of builders' hardware were required. The trade in rough iron and steel shapes, although not large, showed an expansion. The imports of tubes and piping increased by almost 50 per cent. No progress, however, was made in fencing, which is a small business in Tanganyika. There was a slight decrease in the imports of rails, which for some years has been the largest single iron and steel item in the Tanganyika returns.

On account of the primitive methods employed by agricultural labour, the demand for agricultural and horticultural tools and implements, and for agricultural machinery, remains small. The imports of other tools, however, such as edge and artisans' tools, shovels and spades, and miscellaneous implements, increased somewhat. An increase was likewise to be noted in the imports of domestic hollow-ware. Marked growth occurred in practically all machinery items, which testifies to the progress of industrial enterprises. The purchase of such equipment has been increasing for several years in Tanganyika, and the advent of new capital is evidenced by the continued demand.

In textile items other than cotton piece goods, the trade improved in practically all lines of wearing apparel, such as ready-made clothing, boots and shoes, and hosiery. A considerable proportion of these imports, however, are from British India, which suggests that the purchasing power of the Indian, who is the storekeeper of Tanganyika, is increasing more rapidly than that of the native population.

In the vehicles division, the import of motor cars is somewhat greater than in the preceding year and a marked increase in lorries is noted. The motor cycle trade is stationary. The accessory business was well above the former year. The imports of tires and tubes increased sharply.

Among miscellaneous items, smaller quantities of jute sacks were imported than in 1925. The demand for soap was almost precisely the same. The sales of all paper and paper products went up slightly and the imports of lamps, lanterns, and matches, which are important items in this territory, were little changed from the previous year.

ORIGINS

The following are the percentages of the Tanganyika trade enjoyed by the principal suppliers during 1925 and 1926:—

	1925 Per Cent	1926 Per Cent
Great Britain	39.2	40.3
India	17.3	14.7
Kenya and Uganda	3.4	4.3
Zanzibar	1.2	0.3
Other British possessions	3.4	2.6
Germany	10.5	9.4
Holland	9.4	8.8
Japan	7.2	7.2
United States	3.9	5.8
France	0.9	1.1
Italy	0.8	0.8
Belgium and Belgian Congo	0.6	0.7
Other foreign countries	2.6	4.0

These figures show Great Britain to have slightly strengthened her hold upon this market. India has lost ground somewhat, due to diminution in the imports of certain textiles. Kenya and Uganda have improved their position owing to the increased demand for such European foodstuffs as are grown upon the Kenya highlands. Germany's sales are down by about 10 per cent. It is improbable that Germany has really lost any share of the Tanganyika business, but the heavy imports of machinery and equipment represent the outlay of British capital, and these figures reduce Germany's proportion of the total trade.

There is no appreciable change in the trade of the remainder of Continental Europe, and Japan's share remains the same as in 1925. The United States,

however, have made considerable progress in the automotive items, and this accounts for the improved imports from this source of supply.

Great Britain is the predominant supplier of almost every item except foodstuffs, staples, motor cars, motor oils, and rough timbers. In the large cotton piece goods business, she has a negligible share of the grey unbleached trade, about 60 per cent of the white bleached business, about 55 per cent of the printed piece goods and slightly less than half of the dyed goods in the piece. Her share of goods dyed in the yarn is comparatively small, and her blanket trade is unimportant. On the whole, however, she controls nearly half of the textile business.

Prepared foodstuffs, beverages, tobacco, galvanized iron sheets, builders' hardware, piping, machines and machinery, stationery, ammunition, guns and rifles, are her close preserves, there being practically no competition from any sources in these items at present. She likewise has a large share of the general hardware and apparel trade, a considerable share of the motor car business, and the entire cement trade at present. She likewise supplies the majority of the electrical goods.

British India is the pedominant supplier of wheat, wheat flour, grains, dried vegetables, some classes of cotton piece goods, and jute bags. She is also a competitor in footwear and all lines of apparel. Tea and spices are minor Indian businesses. Kenya and Uganda supply Tanganyika with maize, wheat flour, hams and bacon, butter and cheese, potatoes, coffee, sugar, timber, and soap. Zanzibar sends salt fish and soap. South Africa's only sale is coal.

Germany's trade is largely in metal goods for the bazaars, but she likewise enjoys the majority of the beer and ale business, and large trades in beads, domestic stamped and enamelledware, tools and implements, general hardware, and lamps and lanterns.

The United States is interested in little except the remnant of her once great trade in American cloth, and her present growing business in motor oils, motor cars and lorries, and tyres and tubes.

Holland's business is largely cotton piece goods, in which she closely competes with Great Britain in the majority of items excepting grey unbleached cloths. The only other Dutch supplies of any importance are condensed milk and cheap tobaccos. Japan's entire trade is in the textile division, specializing in cotton piece goods, blankets, hosiery and singlets for the native trade. Belgium supplies small quantities of cotton piece goods; Italy, wine and beads; and France little except spirits and wines.

CANADIAN PARTICIPATION

It was impossible to trace any Canadian business in Tanganyika territory. Canada is not differentiated from "Other British Possessions" in the customs returns. A few Canadian motor cars have come forward and sometimes some Canadian tires and tubes through New York shippers. Even although there is a small sale of good quality flours, the supplies in Dar-es-Salaam were American. Neither in the paper imports nor in any other of the staple Canadian export commodities did Tanganyika purchases appear to have extended to Canada, and her regular Canadian trade is of negligible proportions. This is, of course, understandable. Until 1927 there has been little or no steamship communications with Canadian ports. Moreover, for several years the market has been most uncertain. In addition, the trade has been controlled by large trading companies with old-established sources of supply. Finally, the majority of imports are of a specialized nature, which Canada does not manufacture.

In a subsequent section of this report a number of Canadian opportunities in this territory will be discussed.

Zanzibar

The principal statistics of the trade of Zanzibar during the last two recorded periods are as follows:—

	1926 Rs.	1926 Dollar Equivalent	1925 Rs.	1925 Dollar Equivalent
Imports	2,45,03,269	8,881,176	2,75,10,223	9,903,680
Exports	2,37,88,264	8,553,724	3,04,44,395	10,959,982
Total.	4,82,91,533	17,434,950	5,79,54,618	20,863,662

While the percentages of decrease in both imports and exports were considerable, this was largely due to the fall in prices of the principal commodities. As a matter of fact, the volume of imports in 1926 was only 3.8 per cent below the imports of 1925, and the volume of exports about 4.3 per cent lower than in the previous year.

In examining the trade of Zanzibar, it is necessary to make allowances for the entrepôt or re-export trade. As the original port of East Africa, Zanzibar at one time controlled the great bulk of mainland commerce; and even to-day, in spite of the competition of Dar-es-Salaam, Tanga, and Kilindini, a considerable re-export trade, with the mainland and with India and the East, remains to her. During 1926 the re-exports (which are included in the above figures) amounted to Rs. 85,84,778, or approximately one-third of the total export trade. (A corresponding deduction, of course, must be made from the import figures if one wishes to arrive at the imports for home consumption.) Moreover, on account of what is known in East Africa as the "switch trade", whereby overstocking in one centre leads to the transfer of duty-paid goods to a more favourable bazaar in contiguous territory, it is difficult to determine precisely the extent and the value of Zanzibar's re-exports. In any case it is a diminishing factor owing to the development of direct services to the mainland ports. During 1926 over half of the inward-bound re-exports were for Tanganyika, and a large share of the outward-bound re-exports originated in that territory.

EXPORTS

In a normal year about two-thirds of the revenue of Zanzibar accrues from the 25 per cent export tax upon cloves, and it is a significant commentary upon the state of this trade that during 1926 only one-half of the revenue was derived from such source. Disregarding the one-third of the outgoing trade which comprises re-exports, in a normal year at least four-fifths of Zanzibar's exports consist of cloves and clove products. In 1926 these exports were down by about one-quarter over the average, both in volume and in tonnage. Part of this decrease was due to the heavy shipments in the latter part of 1925 and the lateness of the 1926 season, but the state of the world's markets in relation to this spice has been an anxiety to Zanzibar for some time. The inroads which have been made by synthetic coal-tar preparations, and the almost inexplicable failure of some particular markets, such as Great Britain and India, was reflected in the depressed prices and the general uncertainty concerning the future.

The only other native export of any importance is that of copra, the production of which is being encouraged as a possible offset to the decline of cloves. Of the exports, about three-fourths are of local origin. Production is increasing, but more modern methods of treatment are essential before this crop can be regarded as a staple source of income.

The only other local export of any importance is a diminishing trade with the mainland in native soaps.

Of the re-exports, the principal commodities involved are cotton piece goods, motor spirit, rice, ivory and *sim sim* (sesame). The first three products are inward bound. Both Tanganyika and Burma rice figure in Zanzibar entrepôt trade. The re-exports of ivory and sim sim are outward bound.

IMPORTS

During the two years under consideration, the principal imports into Zanzibar for local consumption were as follows:—

	1926		1925	
	Rs.	$	Rs.	$
Cotton piece goods	45,13,581	1,624,889	61,78,595	2,224,294
Rice and grains..	49,01,683	1,764,605	51,79,373	1,864,574
Motor spirit	11,19,762	403,114	5,79,457	208,604
Flour	6,80,552	244,998	8,54,077	307,467
Sugar	8,95,273	322,298	9,95,251	358,290
Miscellaneous foodstuffs and beverages	5,00,848	180,305	5,11,627	184,185
Ghee	5,77,569	207,924	5,42,954	195,463
Jute bags	3,14,305	113,149	3,25,948	117,341
Other	1,09,99,696	3,959,890	1,23,42,941	4,443,458
	2,45,03,269	8,821,176	2,75,10,223	9,903,680
Less re-exports	85,84,778	3,090,520	1,03,06,205	3,710,233
Total imports for home consumption	1,59,18,491	5,730,656	1,72,04,018	6,193,447

These figures reveal the trend of the Zanzibar demand. Indian foodstuffs, cotton piece goods and native hardware combine to make up 85 per cent of the total imports for home consumption. During the years under review all these items show decreases. This circumstance reveals not only the depression in the cloves trade, but the overstocked condition of the Zanzibar bazaar at the end of 1925.

Among foodstuffs, rice accounts for about 40 per cent of the total requirements. It is easily the most important item in this class. It is followed by sugars, entirely of Oriental types, which constitute another 10 per cent of the total foodstuffs purchases. Wheat flour, also of Indian types, is the next in importance, closely followed by ghee (clarified butter). Pulse and millet, dried fish, condensed milk, live cattle, tea and fresh vegetables are additional imports of considerable importance. The demand for alcoholic beverages is small due to the lack of European population. There is, however, because of the low duties, a considerable trade with Great Britain and Europe in various manufactured tobaccos.

Among raw materials, coal and timber are the only items of any particular importance. The coal is obtained from Rhodesia, and Scandinavian countries share the timber trade.

Among manufactured articles, cotton piece goods account for almost 50 per cent of the total imports. Barring jute bags and sacks, there is no other textile import of any importance. The native blanket trade, which is such a considerable business on the mainland, is of negligible proportions in Zanzibar. In many directions, however, the trade of Zanzibar is well in advance of that of neighbouring territories. It possesses a considerably greater diversity of demand. For instance, there are considerable imports of earthenware and glassware, articles which are seldom, if ever, found in the mainland bazaars. The stamped and enamelled goods trade is more advanced than in Kenya or Tanganyika: Zanzibar relies upon the immemorial vessels of India. A demand analogous to that of the larger colonies exists for patent and proprietary medicines, the business in 1926 amounting to no less than a lakh of rupees in value. On account of the small area of both Pemba and Zanzibar, and because of the lack of thoroughfares, automotive imports are very limited. Machinery and implement imports are likewise inconsiderable. In connection with any article for European consumption, it is sufficient to remember that the European population of the Protectorate is under three hundred.

SOURCES OF SUPPLY

The affiliations of Zanzibar are markedly with the East. The principal suppliers and the percentages supplied by each are as follows:—

	1926		1925	
	Rs.	Per Cent	Rs.	Per Cent
India and Burma	73,01,609	30.0	84,25,474	30.6
United Kingdom	51,59,318	21.0	67,46,384	24.5
Tanganyika	34,81,292	13.9	35,68,472	12.9
Holland	11,34,539	4.6	14,78,939	5.3
United States	11,20,154	4.5	3,85,566	1.3
Germany	4,46,647	1.2	7,97,253	2.9
Kenya	6,00,976	2.5	7,05,720	2.5
Other countries	52,58,734	21.1	54,02,415	19.6
Total	2,45,03,269		275,10,223	

Zanzibar draws her foodstuffs from all along the littoral of the Indian ocean. Her rice is from Burma, her ghee, wheat flour, and tea from India, her sugar from Java, her salt from Somaliland, her dried fish from Arabia and Aden. Her millet and sim sim is grown in Tanganyika, her cattle and fresh vegetables in Kenya, and her pulse in Mozambique. Of the important items in this class, only condensed milk and spirits are of European origin.

For manufactured goods, however, Zanzibar goes to Great Britain, the Continent, and India. In the important piece goods division, Great Britain and Holland split the business in bleached goods, with Great Britain holding two-thirds of the trade; in dyed goods, Great Britain has approximately half, with India and Holland dividing the remainder. In prints, Great Britain's only competitor is again Holland, and again two-thirds of the supplies are British. In unbleached grey cottons, however, India has about half of the trade, and the remainder is usually Japanese in origin.

The only other notable textile import, jute bags and sacks, is entirely an Indian trade.

Among metal goods, Great Britain has the lion's share of the galvanized sheets trade, and this predominance extends through almost all iron and steel items. She likewise is the chief source of tools and implements, electrical goods, all types of machinery, including small quantities of agricultural equipment. She is the chief source of the large proprietary medicine imports, and supplies the majority of the paints and varnishes, marine stores, and unclassified merchandise.

As previously indicated, Holland occupies a strong position in the cotton piece goods trade. Three-quarters of her entire business is in this item. In the same way three-quarters of American imports are covered by the items of motor cars and fuel oils for such vehicles. The entire trade of the Dutch East Indies is in sugars and petroleum products. Japan's growing trade covers the cotton piece goods, and also a considerable array of metal goods and miscellaneous items. Zanzibar is well served by Japanese steamship lines, and deliveries are as convenient from Europe. Moreover, the bulk of Japanese manufactures are admirably suited to the Zanzibar demand. Considering that Germany formerly occupied Zanzibar, her showing is by no means impressive; a moderate share of the metal goods imports is all that falls to her lot. As mentioned elsewhere, a large portion of the imports from Kenya and Tanganyika are really re-exports.

CANADIAN TRADE

In no part of the sub-Continent were Canadian goods less in evidence than in Zanzibar, and in no part is the outlook less propitious. Every conceivable affiliation of this island protectorate is with the East, or with Europe. Her range of requirements is alien to Canadian industry. Her sources of supply are long-standing. Nor does there seem to be any likelihood that the develop-

ment of agriculture and industry will create a market for a wider range of commodities. Zanzibar would appear to be tied to a single industry, and in order to support herself she must remain the nexus of the coasting trade between the Persian Gulf and the Mozambique ports. In all the world, there are probably no lands less ready for Canadian goods than the primitive colonies along the northern Indian ocean, and this circumstance will preclude any immediate expansion of Canadian business on this far-flung coast.

Kenya and Uganda

From every aspect, the customs union of Kenya and Uganda has the greatest commercial potentialities of any area in the sub-Continent. The white population is most numerous, and development is proceeding most rapidly. In a trade sense, the future of much of Africa depends upon whether the Kenya Highlands will be able to leaven the lumpish native demand, to create desires for new goods, and to lead in the development of the commerce of the more primitive territories. Because of these circumstances, a more detailed review of the situation in Kenya and Uganda during 1926 will be attempted than has been undertaken in the surveys of the other sub-Continental areas.

The principal statistics of Kenya and Uganda commerce during the last two recorded periods were as follows:—

	1926	1925	Percentage Decrease
Imports	£ 7,440,649	£ 8,061,448	− 7.7%
Exports	6,010,386	7,821,844	−23.0%
Total trade	£13,451,035	£15,883,292	

The dominating features of the commercial position of Kenya and Uganda during 1926 were as follows:—

(1) The heavy carry-over of stocks from 1925. On the last day of that year stocks in bond in that territory amounted to almost half a million sterling. Six months later these figures had not only failed to decrease, but had increased. As almost every merchant in East Africa is a general trader, his purchases of imported goods are to some extent speculative, since the price which is realized for cotton, maize, and coffee will decide the absorptive power of his territory. The break in cotton prices to a new low level, and the failure of the maize crop through drought, reacted very seriously upon the buying power of both Kenya and Uganda. Indeed, in the opinion of representative business men, the imports of 1926 were considerably greater than the buying powers of the colonies warranted.

(2) The uncertainty regarding export crops. Cotton, maize, and coffee not only provide the money which these colonies may spend upon imports, but they contribute largely to the expenses of government, including the upkeep of an expensive railway system. Any restriction in export tonnage imposes new loads upon imports in the form of increased freight rates, and at present the inland rates from Mombasa to Uganda, and even to Nairobi, are prohibitive in so far as many classes of merchandise are concerned. This circumstance increases the intimacy of the relationship between East African export crops and the volume of imports.

(3) The slow progress towards commercial stability. The hazards of trading in native crops proved disastrous to more than one bazaar trader, and the speculative atmosphere of Kenya and Uganda bazaars continued during 1926. The long-credits forays attempted by Germany and other Continental exporters, in an attempt to recover lost markets, had spent itself, but had left a regrettable aftermath in the form of commercial instability. An attempt towards the

end of the year to establish standard import contracts for East Africa on the lines of the Calcutta contracts failed; but the attempt proved the unanimity of the East African merchants in the matter of improving the present credit position.

(4) The continued growth of sentiment in favour of a commercial union of the various East African territories. The intercolonial trade of East Africa has been expanding rapidly, and it is hoped that the present customs union of Kenya and Uganda will some day embrace all the British territory in the sub-Continent outside of the Union of South Africa. Such a development would undoubtedly serve to stimulate commerce and industry, particularly through the amalgamation of all inland transportation facilities. The difficulties in the way of consummating such union are great, but the proposal was much to the fore in the year under review.

(5) A determined effort to adapt modern labour-saving processes and equipment to East African agriculture. For years there has been labour shortage of varying intensity in Kenya, and to lesser degree in other parts of East Africa. For a long time the planters have hoped that some official measure, such as added taxation, or some system of indenture, would force the native to depend upon the sale of his labour for a portion of his necessities. Such hope, however, has been frustrated repeatedly by Great Britain's insistence upon the economic autonomy of the native races. As long as self-government is withheld from Kenya, it is doubtful if there will be sufficient pressure to induce the bulk of the natives to become a source of labour supply for the European planters. In view of this, the more progressive elements of the agricultural community have begun to emancipate themselves as much as possible from dependence upon native labour, through the extensive employment of machinery. During the year under review this determination was reflected in the markedly increased imports of every type of power machinery and equipment.

EXPORTS

The principal exports for the last two recorded years were as follows:—

	1926	1926
Raw cotton	£ 3,056,940	£ 4,694,339
Raw coffee	895,080	963,920
Sisal fibre and tow	579,499	531,129
Maize	280,272	416,964
Hides and skins	272,327	358,953
Cotton seed	194,915	122,965
Rubber	138,261	72,710
Other exports	583,092	660,864
Total	£ 6,010,386	£ 7,821,884

Of the joint exports, Kenya supplied approximately 40 per cent and Uganda the remainder.

As the figures show, cotton comprises almost precisely one-half of all exports from Kenya and Uganda. This is 10 per cent less of the total than in the previous year. Cotton is almost entirely a Uganda crop. Great Britain and India usually buy it all, but in 1926 Japan became a purchaser. Japanese interests have recently purchased a number of Uganda ginneries. The volume of coffee exports was almost precisely the same in the two years under review. About 20 per cent of this crop was of Uganda origin. Great Britain is the chief purchaser. Sisal tonnage was slightly greater than in 1925, and a considerably improved price was obtained. A good proportion of the sisal shown in Kenya's figures is of Tanganyika origin; it is not grown in Uganda to any extent. Great Britain and Belgium purchase the bulk of the crop, with about 10 per cent going to the United States. The principal hides and skins exported are those of sheep and goats, and the 1926 return represented a considerable drop in unit prices

in comparison with the former year. The United States, Great Britain, and the Continent all buy sheepskins and goatskins in East Africa. The cotton seed all originated in Uganda, 50 per cent more by volume being shipped in 1926 than in 1925. Great Britain and Australia were the chief purchasers. Rubber is really little more than an experimental crop. A small quantity of wild rubber is gathered in Kenya, but the bulk of the exports consist of plantation rubber from Uganda. All exports were consigned either to Great Britain or Holland.

Ordinarily, carbonate of soda, from the famous Lake Magadi district, would have been noted as one of Kenya's principal exports. During 1926, however, this industry was less active than in former years.

Other exports of moderate importance were sesame seed, wool, ivory, and grains and flours. The latter items of course were only consigned to nearby territories.

In summation, Great Britain accepted about half of the exports from Kenya and Uganda, and British possessions, particularly African colonies, another quarter. Japan and Belgium were the only foreign customers of importance.

IMPORTS

Of joint imports amounting in 1926 to £7,440,649, slightly over 26 per cent was entered for consumption in Uganda and the remainder for Kenya. This may be taken as the approximate division of the trade between these two colonies.

By principal divisions, the imports for the past two years were as follows:—

	1926	Percentage of Whole	1925	Percentage of Whole
Food, drink, tobacco..	£ 1,531,028	20	£ 1,384,984	17
Raw materials..	697,161	9	675,646	
Manufactured goods..	4,656,119	62	5,420,199	67
Parcel post..	372,460	5	343,357	4
Total..	£7,166,768		£ 7,823,886	

(The slight difference between this total and the grand total is accounted for by small imports of live animals for other than food purposes, and by a certain amount of transit traffic which is omitted from the above subdivisions.)

FOOD, DRINK, AND TOBACCO

The principal items in this class were as follows:—

	1926	1925
Rice..	£ 145,241	£ 150,315
Flour..	57,929	56,364
Tea..	72,761	72,171
Sugar..	20,865	32,475
Miscellaneous provisions..	320,398	261,452
Alcoholic beverages..	163,083	143,492
Tobacco and tobacco products..	198,986	164,984
Other foodstuffs..	551,740	503,731
Total..	£ 1,531,003	£ 1,384,984

The "other foodstuffs" figures include large quantities of Tanganyika and Belgian Congo produce exported through Kenya or Uganda.

The slight fall in the imports of rice is not due to lessened consumption, but to the growth of the Kenya rice crop. In the same way, a greater expansion has occurred in the consumption of flour than the figures indicate, since production of local flours is increasing rapidly. Kenya is now exporting considerable quantities of flour to adjoining territories. The imports of tea are likewise stationary due to the increased local production, and the same is true of sugar, although a considerable import of certain Oriental sugars will probably continue for some time.

Among miscellaneous provisions, a number of small but well-developed trades are of interest to Canadian exporters, and such items improved their position during the year under review. The imports of tinned meats, while not large, tripled, the value rising to £5,311 in 1926; those of biscuit imports were likewise somewhat higher, amounting to £15,731 in the last recorded year. Confectionery stood at almost the same at £22,043 in 1926. Dried and pickled fish advanced slightly, the figures for last year being £9,419 as against £8,161 in 1925. A marked increase is to be noticed in the item of tinned fish; the imports in the year under review stood at £14,730. Tinned and preserved fruits and vegetables likewise showed a considerable increase, the total trade being in the neighbourhood of £20,000 during 1926. In keeping with the general run of provisions, the value of condensed milk brought in rose to £32,537 from £28,451 in 1925. Unclassified provisions were imported in 1926 to the value of £47,813 in comparison with £37,581 in the preceding year.

As all the items listed above are primarily articles of European consumption, the increased imports signify the gradual expansion of the European demand to the more prosperous sections of the native and Asiatic populations. This development has been discussed in other sections of this report.

Among alcoholic beverages, the import of ales, beers, and stouts only increased slightly, due to the competition of local breweries. The imports of whiskies were up by about 15 per cent, and a considerable increase also occurred in the imports of brandies.

Of tobacco items, cigarettes and certain classes of imported tobacco comprised almost the entire demand. The cigarette trade is entirely British, and 97 per cent of the manufactured tobacco imports during 1926 originated in Holland.

RAW MATERIALS

The important items under this head are coal and sawn timber. The imports of coal were down slightly in 1926: 60,378 tons as against 73,528 tons in 1925. There was a marked increase, however, in Baltic timber, the value rising from £36,219 in 1925 to £42,555 in 1926. The increase in imports for general consumption is even greater than the figures indicate, as in 1925 a comparatively large proportion was for Government requirements.

MANUFACTURED ARTICLES

There is a considerably larger range of manufactured articles imported into Kenya and Uganda than into any other part of East Africa, and it will be necessary to subdivide the items into a number of principal groups, each of which will be examined separately.

EARTHENWARE AND GLASSWARE, INCLUDING CEMENT

The imports of earthenware dropped from £23,623 in 1925 to £20,479 in the succeeding year. The decline was due to the overstocking of the bazaars. Considerably larger quantities of glass bottles, plate and sheet glass and miscellaneous glassware were brought in in 1926 than in 1925. The total trade in these items amounted to slightly over £50,000 in 1926. In the item of cement, the imports increased from 26,347 tons to 28,751 tons in 1926. A continued increase in the demand for this product may be anticipated.

METAL GOODS

The import of galvanized sheets increased by approximately 25 per cent in the year under review, the valuation standing at £135,447. Other iron and steel construction materials such as bars, rods, and fabrications decreased considerably, probably due to the completion of the harbour works at Kilindini.

Steel rails fell from £588,985 in 1925 to £359,938 in 1926. Practically all these were for the Kenya-Uganda railways, representing maintenance requirements. Among other construction materials, the items of nails, screws, and rivets were practically the same in the two years under review, the value in 1926 being £35,900. The imports of tubes and tubing, however, rose sharply in 1926 to £59,055, which was about 50 per cent more than in the preceding year; those of fencing wire and wire gauzes and netting did not greatly alter, the trade being worth about £20,000 in both years.

Among secondary iron and steel products the most important item was domestic hollow-ware, the value of which was £45,310 in 1926, slightly below the figure of the preceding year. (This is a bazaar trade and, as in other instances, the drop reflects the carry over of stocks.) The same is true of the fairly important bedstead trade. The imports of domestic stoves, grates, and ranges, however, increased slightly. (It may seem surprising to find such an item of any importance in territories which lie across the Equator. But a large portion of Kenya has a very high altitude.)

Among cutlery, hardware, and implements, the import of artisans' tools was almost precisely the same as the former years, this trade being worth £24,534 in 1926. A considerable increase, however, was to be noted in the items of agricultural hand tools: £132,912 in 1926. Shovels, spades, and axes were an additional import to the value of £62,467 in 1925. This figure was halved in the succeeding year, owing in part to considerably lessened purchases upon Government account. The requirements in general hardware, including all types of builders' small hardware (except nails, rivets, and screws), were almost the same in the two years, the trade being worth about £25,000. The imports of knives and machetes, which is very largely a Uganda trade, decreased sharply from £14,007 in 1925 to £5,335 in 1926.

MACHINERY ITEMS

The imports of agricultural machinery rose from £70,763 in 1925 to £88,165 in 1926. In the same periods, however, those of electrical machinery and industrial machinery declined sharply. Pumps and pumping equipment were approximately the same in both years, the trade being worth in the neighbourhood of £10,000. The imports of internal combustion and steam engines increased slightly.

WOOD MANUFACTURES

The imports of furniture in 1926 amounted to £15,831 in comparison with £13,710 in the previous year; those of joinery, doors, and miscellaneous wood products also increased in about the same ratio.

TEXTILES

The principal items in this important trade were as follows:—

	1926		1925	
	Quantity	Value	Quantity	Value
Cotton piece goods.	Yds.	£	Yds.	£
Uncleached..	14,195,314	323,127	16,537,887	409,700
Bleached..	2,767,405	86,555	3,295,217	114,848
Printed..	2,519,107	92,310	3,519,385	132,912
Dyed..	3,769,385	193,722	5,874,161	304,798
Coloured	5,759,564	213,798	6,453,525	264,849
Total quantity yards..	29,010,775		35,680,175	
Total value £		909,512		1,227,107
Average value per yd..		7.5d.		8.2d.
	Nos.		Nos.	
Cotton blankets..	1,543,286	173,368	2,569,414	311,015
Average value per blanket.		2s. 2.96d.		2s. 5.05d.
Total value of cotton piece goods..		1,082,880		1,538,122

As the figures show, about 30 per cent of the total business consisted of unbleached goods, 8 per cent of bleached cloths, 8 per cent of prints, 18 per cent of cotton goods dyed in the piece, 20 per cent of coloured goods (manufactured wholly or in part of dyed yarns), and 20 per cent of cotton blankets. During the year under review the imports of unbleached goods increased by 3 per cent; those of bleached and printed goods were stationary. Cotton goods dyed in the piece declined slightly, but coloured goods increased by a small percentage. The imports of cotton blankets declined very considerably. Of the total trade, Japan supplies about two-thirds of the unbleached cottons and the United States and India divide the remainder. About two-thirds of the bleached goods come from Great Britain, Holland being the only other supplier of any importance. Some 85 per cent of the prints and about 80 per cent of the dyed goods are likewise of British origin, with Holland supplying the majority of the remainder. In coloured goods India takes the lead, closely followed by Holland. Each country supplies approximately one-quarter of all requirements. Great Britain, Japan, and Belgium divide the remainder of the coloured goods trade. In cotton blankets, Holland holds two-thirds of the business, and Belgium and Germany are the only other suppliers of note. During the past few years there has been a slight but unmistakeable trend toward better qualities of cotton piece goods, and a corresponding diminution in the cotton blankets trade.

Silks are a moderate business, imported to the value of about £30,000 per annum. Sales of linen piece goods have increased sharply of late years, due to the suitability of such textiles for tropical suitings. In 1925, linen imports were valued at £21,149.

MISCELLANEOUS WEARING APPAREL

The trade in miscellaneous wearing apparel is considerable, and stood at £136,068 in 1925 and at £130,658 in 1926. The principal items in this group which are differentiated in the customs returns are boots and shoes, valued at £26,385 in 1926; hosiery, valued at £35,459; and hats and caps, valued at £27,137.

CHEMICALS AND KINDRED PRODUCTS

The principal items in this group are disinfectants and insecticides, in which the trade diminished from £15,881 in 1925 to £13,074 in the succeeding year; proprietary medicines, which showed an increase in 1926 of £33,937 from £27,804 in 1925; paints and varnishes, which were valued at £25,557 in 1925 and £26,208 in 1926.

A further large trade which really should be included in this group is in soap. The imports of common soap were valued in 1925 at £64,995, and of toilet soaps at £7,722. In the succeeding year, however, this trade dropped to £31,842 for common soaps and £13,435 for toilet soaps. It is improbable that the locally manufactured soaps affect imports to any particular extent. The drop was due to the over-stocking which occurred during 1925.

LEATHERS

Dressed leathers to the value of £13,138 were imported during 1925, and the trade declined slightly in 1926. The business in saddlery, harness, and other leather products was valued each year in the neighbourhood of £10,000.

PAPER AND PAPER PRODUCTS

The imports of printing paper are smaller than might be expected, but due to the scattered population and the sparse news media, the publishing industry is undeveloped. During 1925 only 392 tons of newsprint valued at £14,498 were imported, and in 1926 even this small figure had shrunk to 364 tons valued at £13,523. The imports of stationery are much greater, there being no stationery

of any importance manufactured in Kenya and Uganda. In 1925 the value of such imports was £53,727, and the figure was practically the same in the succeeding year. Imports of wrapping paper in 1925 amounted to 7,912 cwt. valued at £6,849. In 1926 the values were approximately the same. A large proportion of cheap papers are included in these figures, much of the imports consisting of old newspapers.

AUTOMOTIVE SUPPLIES

The imports of motor cars, motor lorries, and motor cycles during 1925 and 1926 were as follows:—

	1926		1925	
	No.	£	No.	£
Motor cars..	1,403	250,453	1,588	274,143
Parts and accessories.. ..		73,741		59,839
Trucks and tractors..	1,135	224,949	1,568	245,228
Parts and accessories.. ..		49,058		34,390
Motor cycles..	602	25,377	984	43,772
Parts and accessories.. ..		9,220		10,655
Total..	3,140	632,798	4,140	668,027

The falling off from the previous year was to be expected, as the 1925 imports were almost double those of the previous year. As in most new countries, imports of passenger vehicles increased more rapidly than the absorptive power of the territory. The same is true of motor lorries and tractors, of which the imports rose from 66 in 1923 to 1,568 in 1925, which was the peak year. In the motor cycle trade a similar trend was to be observed, imports having tripled between 1923 and 1925. The 1926 figures may be taken to represent a fairer indication of the territory's purchasing power. Of the imports of motor vehicles, Uganda is credited with about one-sixth of the motor cars and the same proportion of the accessories, about one-third of the motor lorries, and one-half of the motor cycles.

The trade in motor vehicles is divided between the principal suppliers as follows:—

	Motor Cars		Trucks		Motor Cycles	
	No.	Value	No.	Value	No.	Value
1926						
Great Britain	186	£ 42,811	121	£ 36,440	549	£ 23,024
Canada..	256	28,600	233	25,076	—	—
United States	867	161,433	695	138,866	33	1,621
Other suppliers..	94	17,609	86	24,567	20	732
Total	1,403	£250,453	1,135	£224,949	602	£ 25,377
1925						
Great Britain	209	£ 48,276	116	£ 41,984	926	£ 40,984
Canada..	316	35,291	810	87,688	—	—
United States	987	181,950	558	90,862	51	2,470
Other suppliers..	76	8,626	84	24,694	7	318
Total	1,588	£274,143	1,568	£245,228	984	£ 43,772

The feature of the motor car trade during the last few years is the growth in the imports of British vehicles, and also the replacement of Canadian by American cars. In so far as the motor cycle trade is concerned, in East Africa as elsewhere throughout the world, Great Britain is supreme. (One British company advertises in Africa that they make more motor cycles than all the American companies combined.) In trucks and lorries, the absence of preference has resulted in a large measure of the trade being transferred from Canadian to American plants. In Uganda the light trucks are nearly all British, but in Kenya the trade is as predominantly American. In heavy lorries, the trade is British in both territories. The Government of Uganda operates a large transport service in which all the vehicles are English, the heavy lorries being "Albion" and the light trucks "Morris". It is doubtful, however, if English cars can claim a much greater proportion of the market than they command at present, since their lower power, low clearance, and narrow wheel-base make them less desirable than the American type of vehicle in the country districts.

BICYCLES

This is a very large Uganda business. The imports during 1925 consisted of 23,938 machines valued at £185,024. On account of the depressed condition of the Uganda bazaars, the trade slumped in 1926 to 11,629 machines, valued at £94,100. The figures for 1926, however, represented a very depressed year. The absorptive power of Uganda is probably about 15,000 machines annually.

TIRES AND TUBES

Tires and tubes represent over 90 per cent of the total imports of rubber goods into Kenya and Uganda. The imports during 1926 were valued at £105,536 as against £93,095 in 1925. Of these, approximately one-half consisted of motor car and motor cycle tires, one-quarter motor truck tires, and one-quarter bicycle tires. The imports of motor car tires were slightly down from the 1925 figure and the imports of truck tires increased by almost the same percentage. The chief gain occurred in bicycle tires, the imports in 1926 being almost double those of the preceding year.

Great Britain and the United States each supplied 45 per cent of the motor car and truck tires, the remainder coming from France. The bicycle tire business is almost a British monopoly.

MISCELLANEOUS UNCLASSIFIED ARTICLES

The imports of brooms and brushware is relatively small, due to the employment of native substitutes. In 1925 this trade was valued at £6,741, and in 1926 at £5,600.

During the same periods wheel stock to the value of £10,270 was imported in 1926. The corresponding figure for 1925 was £17,504.

Lamps and lanterns were a considerable item, particularly in the Uganda trade, the imports being £22,624 in 1926 and £26,215 in 1925. The trade is divided between Germany, the United States, and Great Britain.

Matches were imported to the value of £20,092 in 1925 and £13,190 in the succeeding year, Sweden being the principal supplier.

Musical instrument imports amounted to £20,753 in 1925 and £21,667 in 1926.

SOURCES OF SUPPLY

The following were the principal sources of supply for Kenya and Uganda during the last two recorded years:—

	1926		1925	
	£	Per cent	£	Per cent
Great Britain	2,762,178	37.12	3,068,192	38.06
India and Burma	757,847	10.20	878,745	10.89
United States	748,636	10.06	721,146	8.95
Holland	354,349	4.77	437,749	5.43
Japan	290,048	3.90	312,536	3.88
Germany	275,125	3.70	420,920	5.22
Union of South Africa	105,642	1.35	137,889	1.71
Other suppliers	2,146,824	28.86	2,084,271	25.86
Total	7,440,649	100.00	8,061,448	100.00

Under "other suppliers" the principal entry is Tanganyika, whose exports to Kenya and Uganda totalled £1,278,818 in 1926 and £1,187,960 in 1925. As the Tanganyika figures largely cover imports for re-export, it is unnecessary to consider these in a survey of the requirements of Kenya and Uganda.

As the statistics show, Great Britain has the lion's share of the important trade of this territory. With the exceptionally intimate relationships which exist between East Africa and the home commercial communities, it could hardly be otherwise. During the past five years there has been comparatively little fluctuation in the origin of imports. The United States have improved

their position slightly due to the increasing automotive requirements, and Germany has lost ground somewhat through the collapse of her long-credit trade drive. For the remainder, the imports in 1926 originated in almost precisely the same sources as in 1922, when commercial stabilization emerged out of the post-war depression.

In every group of manufactured goods Great Britain leads. Among beverages, Germany supplies most of the beers and France the brandies, but the remainder of the imports under this heading are entirely British. Among foodstuffs, biscuits, confectionery, tinned fish, jams and jellies, and general provisions are largely British in origin, condensed milk and tinned fruits being the only exceptions. As heretofore stated, Great Britain holds all of the important cigarette trade, but has relinquished other manufactured tobaccos to Holland.

Among other manufactures, Great Britain supplies a very large share of the chinaware, earthenware, and glassware imported, approximately 90 per cent of the building cement, almost the whole of the galvanized sheet imports, and practically all of the builders' hardware. She divides the hollow-ware imports with Continental competitors, but monopolizes the business in pipes and tubing, and nearly all other primary iron and steel products. In cutlery, tools, and implements, including spades and shovels, she is the predominant supplier, and has very little competition in all machinery classes, including agricultural implements. Her share of the piece goods business has already been commented upon. Among haberdashery items, she supplies 75 per cent of the boots and shoes imported, and well over half of all other wearing apparel. In chemical products her position is equally well established. She likewise has the largest share of the important soap trade and she monopolizes the stationery business. Her position in the automotive trade has already been noted. Long experience in the peculiar nature of the East African trade, together with heavy investments of British capital, and the intimate liaison between East Africa and London, will hold her present share of the business for Great Britain indefinitely.

India, second in importance among suppliers to this market, deals very largely in the specialized requirements of the Indian, Swahili, and Goanese populations. From time immemorial, the dhows have come down from India before the Monsoon, and Indian commodities have been naturalized in this section of Africa. Rice, wheat flour, and spices are trades which India monopolizes. Due to peculiarities of demand, these three items between them comprise about one-third of all Indian imports. Although India supplies a certain percentage of every import of metal goods, the trade under this group has not grown very rapidly. As noted heretofore, however, India has made marked inroads into the cotton piece goods business, especially in unbleached grey cottons and in coloured goods. She likewise has a very considerable share of the haberdashery and furnishing imports. Barring the automotive group, there is no department of the Kenya and Uganda trade in which Indian competition is not felt to some extent.

The weight of American competition is, as might be expected, in the automotive items, about 40 per cent of her total trade being in motor cars alone. Another 15 per cent consists of fuel oils. The Republic has no foodstuffs business of any importance, but a growing trade in miscellaneous metal goods, particularly agricultural implements, hand tools, and builders' hardware. Barring grey cottons, her share of the textile imports is negligible. This is a considerable change from a few years ago when she led the world in the supply of "American" cloth.

As has been noticed previously, Holland is a strong—indeed a predominant—competitor in several classes of cotton piece goods, and supplies almost all the manufactured tobaccos, barring cigarettes, and has small interests in certain foodstuffs and miscellaneous items.

Japan, who has replaced Germany as fourth in importance in this market, is particularly concerned with bazaar textiles and metal goods. Her strength is in the former division. Her trade is growing at the expense of India in piece goods, and at the expense of Continental countries in a wide range of specialties.

Germany's business is largely centred in metal goods, particularly tools and implements and bazaar hardware. To date she has not repeated her post-war success in these departments.

The Union of South Africa supplies a considerable volume of foodstuffs and coal.

Sweden is the largest source of timber, and Belgium supplies certain special textiles and a limited quantity of primary iron and steel products.

CANADA'S SHARE

Canadian products have never been differentiated in the Customs returns of Kenya and Uganda, although, thanks to the courtesy of the Comptroller of Customs, they will be separated in the future. At present Canadian imports are included under those of " Other British Possessions ".

The entry " Other British Possessions ", however, does not cover India, Ceylon, Mauritius, Zanzibar, South Africa, Australia, or Tanganyika, and therefore it is probable that a large percentage of the figures represent Canadian exports. In 1925 " Other British Possessions " supplied imports to the value of £256,532, but in 1926 the total had dropped to £97,401. As this decline is coincident with a decrease of £69,903 in the import of Canadian motor cars during 1926, one is fairly safe in saying that the Canadian trade in Kenya and Uganda was worth perhaps £70,000 in the latest year under review. Of this total well over £50,000 consisted of motor cars and tires and tubes.

Of the small remainder, there is a certain quantity of Canadian agricultural machinery imported. A few lines of tools and implements and general hardware have reached this market either via South Africa or Great Britain. These were all the Canadian goods which can be identified in this territory.

It may be said with comparative certainty that out of perhaps one hundred different Canadian commodities which are saleable in Kenya and Uganda, not more than a half-dozen are at present upon the market. There are many reasons for this, chief of which has been the lack of information regarding the requirements of this market.

XI

The Market for Certain Canadian Products

In the case of certain Canadian export staples, it is proposed to supplement the information upon the markets of the sub-Continent, which has been furnished in previous sections of this report, by more detailed investigations. There are difficulties in deciding which Canadian products should be granted more particular treatment, but in the main, only such commodities will be discussed as are exported by Canada, not only to the British Empire, but to all other parts of the world. From this detailed investigation, the imports into the territories which are signatory to the South African Customs Union—Southwest Africa, Southern Rhodesia and Northern Rhodesia—are omitted, as in all respects the demand therein is analogous to that of the Union of South Africa, which has been made the subject of a separate report.

It has not been found possible to furnish statistics in the case of all sub-Continental territories. Statistics of recent date are only available in the case of the British Colonies and Protectorates of Nyasaland, Tanganyika, Zanzibar, Kenya, and Uganda. While other areas, such as the Portuguese Colonies and the Belgian Congo, will be discussed, no figures will be given, as they would not convey a fair impression of the present demand.

Foodstuffs

Broadly speaking, the European entrepreneur must bring his foodstuffs with him when he comes to Africa. Moreover, he is certain to communicate his habits to his immediate African associates. The celerity with which such associates adopt his habits depends upon the strength of the tribal organization. In areas where the tribe is still strong (as in Northern Rhodesia, upon the Athi Plains, and around the mouths of the Congo), the market which the European creates for his foodstuffs is comparatively limited. But in the other areas where detribalization is progressing (such as in Southern Rhodesia, in Uganda and in the Katanga), a considerable market arises with its nucleus in every European settler.

This principle must be remembered in determining the relative value of any territory in its purchases of overseas foodstuffs.

DAIRY PRODUCTS

The imports of the principal dairy products, which are butter, cheese and condensed milk, into Kenya and Uganda, Tanganyika, Zanzibar and Nyasaland, were as follows during 1926:—

	Cwts.	£
Butter—		
Kenya and Uganda	17	203
Tanganyika	943	9,366
Zanzibar	86	905
Nyasaland (including cheese and fats)	504	2,214
	1,550	12,688
Cheese—	Cwts.	£
Kenya and Uganda	118	1,411
Tanganyika	332	3,088
Zanzibar	73	656
Nyasaland	(Included in butter)	
	523	5,155
Milk, condensed—		
Kenya and Uganda	8,931	32,537
Tanganyika	4,371	15,787
Zanzibar	3,764	11,399
Nyasaland	162	478
Total	17,228	60,201

BUTTER

The local consumption in Kenya amounts to about 200 tons per annum, and the present Kenya production is in the neighbourhood of 300 tons. This butter is all produced upon the Kenya Highlands at a high cost, and the industry at present cannot face competition. Kenya butter, therefore, receives the heavy tariff protection of 1s. per pound, which assures it the home market and permits it to export the surplus at a much lower figure. Kenya butter is of good quality and finds a ready sale in contiguous territories. As Uganda is in a Customs Union with Kenya, all her imports originate in the neighbouring colony. As far as butter is concerned, there is therefore no market available in either of these territories.

With reference to Tanganyika, Kenya butter is able to fill the demand, and in 1926 Kenya supplied approximately half of all imports into that territory. In the case of Zanzibar, however, Kenya only supplied about one ton out of the six tons of fresh butter imported in the course of the year. She sent no butter to Nyasaland at all. It is therefore apparent that Kenya's ascendancy in this trade is local, and that markets exist for overseas butter in other parts of the sub-Continent.

Closely supplementing the demand for fresh butter is a considerable trade in tinned butter and ghee, the latter being the clarified Indian product. The consumption of ghee in Kenya, Uganda, Tanganyika, Zanzibar and Nyasaland is considerably greater than that of ordinary butter. There is a large import trade, as well as considerable local production, particularly in Tanganyika, from whence 300 tons of ghee were exported to Kenya and Uganda during 1926 as well as lesser quantities to other nearby territories. Ghee is the precursor of butter, but its price is so much below that of butter that no extension of the latter trade need be anticipated in the near future.

There remains a third division of the butter trade which is worthy of note. This is in tinned butter, for which there is a certain demand, not only in the British Colonies and Protectorates but in Portuguese and Belgian territories as well. This demand arises in the more outlying areas, and in total the imports reach a fair figure. Broadly speaking, a good quality of tinned butter is imported at a price not below Canadian offerings. At present such tinned butters are supplied to the East Coast of Africa from India and Burma and to the West Coast and Central Africa from Holland and Scandinavia. It is impossible to give a precise estimate of the extent of such trade, but for all of Africa south of the Equator and outside of the South African Customs Union, it must amount to several hundred tons annually. Such supplies are invariably purchased either in Calcutta or in Europe, by buying agents for the African importers. It is a trade which Canadian exporters could reach, but only at the expense of very considerable trouble to themselves.

CHEESE

The cheese demand of the sub-Continent is closely allied to that of butter. Beginning at Kenya, one finds a local cheese industry fairly well established through the support of a protective duty of 1s. per pound. This duty enables Kenya and Uganda to reduce cheese imports to a negligible figure. Only small quantities of British, Dutch, and Swiss cheeses come in. It also enables Kenya to supply Tanganyika with over half of her cheese requirements. Here, however, her exports cease. It cannot be said that Kenya cheeses are of outstanding quality, and if there were any discriminating demand in the sub-Continent, a considerable market could be created for overseas supplies. As it happened, however, cheese is essentially an European article of diet, and the imports into the more primitive parts of Africa are inconsiderable. In Nyasaland the item is not important enough to warrant differentiation in the Customs returns. In Portuguese East Africa and Angola the imports are restricted to a very small quantity of tinned cheeses of European type. In the Belgian Congo a slightly greater market exists, there being a certain import of South African cheddars, in addition to the trade in tinned Continental cheeses. The whole demand, however, is so limited that Canadian exporters need not investigate it at the present.

CONDENSED MILK

All condensed milk is imported and it is, of all dairy products, the first commodity to attract the native. From his point of view it is cheap, sweet and original. In the neighbourhood of any European settlement the demand for condensed milk spreads rapidly.

The demand would appear to be increasing in every part of the sub-Continent, perhaps more rapidly than that for any other imported foodstuff. At present sales are restricted to sweetened condensed milks, there being no market for evaporated milks or milk powders.

In all parts of the sub-Continent the Anglo-Swiss combine has the bulk of the business, due to being first in the field, and to their marketing methods. Depot stocks are carried in the principal centres from which the Bazaar traders can draw. No merchant would indent while such stocks are available, as the trouble and expense of importing small parcels would be more than the business is worth.

The only possible way of introducing another milk would be to form a connection with some wholesale distributor, giving such distributor sufficient credit to enable him to turn over his stocks before making payment. But even if a Canadian firm were willing to make such arrangement, there would be great difficulties in the way, as the Bazaar trade has become so accustomed to the Anglo-Swiss product that, as in many primitive countries, the trade mark of the familiar article has become generic and the original name of the commodity has been forgotten. For example: the Anglo-Swiss milk is marketed in Kenya under the name of "Asli", which in Swahili means "The Thing". This is also the Swahili word for "condensed milk". The competitive difficulties which arise from such an advantage are almost insuperable, and until the demand expands considerably, it will probably be impossible for a second firm to share the business.

WHEAT AND FLOUR

During 1926 wheat and flour were imported into the principal sub-Continental areas as follows:—

	Cwts.	£
Wheat—		
Kenya and Uganda	2,820	2,611
Tanganyika	5,814	5,536
Zanzibar	6,043	5,852
Nyasaland (including wheat flour)	5,032	4,823
Total	19,709	18,822
Flour—	Cwts.	£
Kenya and Uganda	58,151	57,807
Tanganyika	35,386	39,673
Zanzibar	52,042	52,275
Nyasaland (included in wheat)	....	....
Total	145,579	149,755

In addition to the above trade, there is a considerable import into the Belgian Congo, Angola, and Mozambique. For the Portuguese colonies there are no figures available, but the importations into the Belgian Congo in the last recorded year (1924) amounted to 29,335 cwts., or roughly the same as Tanganyika's requirements in 1926. There cannot be the slightest doubt of the future of the flour trade of the sub-Continent. Of a native population of perhaps 30,000,000, probably not more than 5 per cent are flour eaters at present. Yet in course of time all this native population will be wheat consumers, as experience proves that any native race will desert its traditional foods for bread. Every native who is compelled or persuaded, as a result of new desires, to sell his labour is almost certain to become a wheat consumer at his earliest opportunity.

The peculiar significance of this development lies in the fact that, barring small areas in North Africa (which are too far removed to ever be sources of supply for the sub-Continent), the Kenya Highlands, and a small belt in the Union of South Africa, are the only wheat areas in the entire Continent. Wheat and flour must continue to come from abroad.

At present Kenya is the largest centre of consumption. In addition to imports, there are several flour mills in that Colony. The flour is manufactured out of Kenya wheat, which is grown at altitudes of from 8,000 to 10,000 feet, almost on the Equator. This wheat is of excellent quality, being regarded as the equal to No. 1 Northern. The yield is small, amounting to not over 10 bushels per acre, and it is doubtful whether under ordinary circumstances the crop would prove to be economical. The production, however, is aided by means of preferential rail rates and high import duties. The acreage is increasing slowly. The present production is between 4,500 and 5,000 tons annually. There is no wheat for export, and it is necessary occasionally to import Indian wheats to supplement the local production.

It is impossible to obtain reliable figures of the flour production of Kenya, but during 1925 something over 5,000 tons of wheat were milled. Of this production practically all was consumed in Kenya and Uganda, although a small quantity of Kenya flour did reach Tanganyika.

In regard to imported supplies, a considerable trade is to be noted. Imports have increased steadily of late years. At the moment the imported flour users are neither Europeans nor natives, but Arabs, Indians, and Goanese. There are approximately 100,000 of these peoples in East Africa, forming the trading classes. It is they, rather than the Europeans, who set the taste for the native population. These Indians, Arabs, and Goanese are all flour eaters, but they are not bread eaters. The majority of their cereal foods consist, in one form or another, of the fried doughs which are the basis of Indian cookery. On this account these peoples will only employ special Indian flours, which are particularly adapted to such purposes. In so far as Kenya and Uganda are concerned, there is no demand at all for flours of Canadian type. The local hard wheat flour satisfies the European requirements and the Bazaars use the finely-milled, soft, white Indian product. In 1926 every pound of flour imported into Kenya and Uganda came from India, and the same was true of Zanzibar. Nearly all this flour originated in three Bombay mills, all of which supply the same grade, under the same mark. The importers will have no other.

At the beginning of 1927 the average price of this Indian flour c.i.f. East African ports was 22s. 6d. ($5.47) per cwt. of 112 pounds.

The situation in Tanganyika, however, is a little different. Out of flour imports amounting to 35,386 cwts. in 1926, only 24,231 cwts. were of Indian origin. The balance was drawn from several sources, with Australia the predominating supplier The reason for the import of other than Indian flours lies in the restriction of Indian migration into German colonies prior to the war. In Tanganyika the natives became familiar with European, rather than Asiatic, habits. Moreover, the Tanganyika bakers are Goanese, instead of Indians as in Kenya, and these Goanese are more conversant with the various qualities of flour. They use a certain amount of hard wheat flour at all times. Two American mills have a small but steady business at Dar-es-Salaam, supplying the same qualities of flour as Canada exports.

The business for good flour is not large, but in contradistinction to other parts of the sub-Continent, a demand already exists.

The Mozambique flour trade is almost completely restricted to the small white population, and the same is true of Nyasaland. Both of these territories grow considerable maize, and in both instances the native populations are still tribalized. These circumstances restrict the development of the flour trade, particularly in view of the embargo upon the import of Mozambique native labour into the Union of South Africa. On the gold mines these natives in the past have become familiar with bread, which they never saw in their native villages. Owing to the lapse of the Labour Convention, however, these natives are no longer coming to the Rand in such numbers.

In the Belgian Congo there has been little development in the native demand to date. The labour in the Katanga is largely imported from Northern Rhodesia. The tribal organization has been retained and the native relies upon indigenous foodstuffs. In so far as the present trade is concerned, the figures show the Congo imports to have originated in Belgium and South Africa. However, a considerable quantity of American and Canadian flours reach the Congo through both of these countries. Canadian flours are well known in Elizabethville, and the bakers blend in the same proportion as in South Africa, namely. one bag of Canadian second patent to four bags of Australian or South African soft wheat flour. In the course of time there will be a considerable flour trade in the Congo, particularly in the Katanga, but at present the market is too small for Canadian firms to consider separate representation there. The majority of South African agents representing Canadian flour mills have sub-agents in the Congo, and bakers there are quite content to buy Canadian flours ex South African stocks.

BISCUITS AND CONFECTIONERY

Imports of biscuits and confectionery into the principal divisions of the sub-Continent during 1926 were as follows:—

	Cwts.	£
Biscuits—		
Kenya and Uganda	1,574	15,250
Tanganyika	823	7,873
Zanzibar	...	...
Nyasaland	...	...
Total	2,397	23,123
Confectionery—		
Kenya and Uganda	2,962	25,425
Tanganyika	782	6,946
Zanzibar	...	...
Nyasaland	...	...
Total	3,744	32,371

The item is not differentiated in the Zanzibar and Nyasaland Customs returns, and consequently it may be taken for granted that there is no business of any particular importance in these territories.

Biscuits, however, are one of the European foodstuffs which the native is beginning to use. It is a compact, convenient comestible, saleable in low price units, and this is what the native trade requires. It seems probable that there are imports other than those which show in the above returns, as Indian biscuits of a number of different types were noticed in Kenya, Uganda, and Tanganyika. They were small, hard and unleavened, a sort of Oriental ship's biscuit, and it is not thought that these are manufactured in East Africa nor in Great Britain. As 94 per cent of the biscuits entered are British in origin, it is possible that the statistics only cover fancy biscuits of European types.

All the leading English companies are represented in East Africa, and it would be very difficult to sell Canadian biscuits against them. They are packed in airtight tins in small containers, as in many parts of East Africa foodstuffs perish rapidly if exposed to the air. The principal demand is for better-class manufactures such as shortbreads and similar fancy goods.

In the Congo and in Portuguese Colonies there is a small market for biscuits as well, but here the foreign types are in demand. As nearly as one could learn, there is no sale in these colonies to the natives, the entire imports being in connection with the limited European requirements.

CONFECTIONERY

The situation regarding confectionery is roughly analogous to that of biscuits. But there would seem to be little or no possibility of introducing European types of confectionery to the natives, for they have their own imme-

morial sweetmeats. These are manufactured on a large scale in the East African coastal towns, usually out of jaggery (Indian sugar). The majority of foodstuffs shops in the bazaars are heaped with trays of sticky glutinous confections, to an European evil alike in smell, taste, and appearance. But some time ago one of the large British manufacturers decided to make an effort to interest the native population in the European confectionery, and gave away a large quantity of cheap bar and block chocolate. The experiment was an entire failure, as the Arabs and Indians alike preferred their own peculiar sweetmeats.

Of the imports during 1926, about 85 per cent were of British origin, and consisted of standard lines of boiled sweets and tinned chocolates, the boiled sweets, of course, being put up in glass. These candies are standard stores for all "safari" (hunting) parties, their sugar content helping to decrease the monotony of a restricted dietary. For such trade it would be impossible to replace the English article.

No boxed chocolates were seen in East Africa, and in conversation with foodstuffs distributors the opinion was expressed that such confectionery would not keep, except in tins. It is believed that this view is erroneous in so far as inland centres are concerned. In Nairobi, for instance, at an altitude of nearly 6,000 feet, there should be no difficulty in keeping boxed confectionery, particularly if it is tinfoiled. Moreover, if the goods are packed either in tin-lined cases or if the outer containers are dipped in wax there would seem to be no reason why a good quality of confectionery would not remain clear of bloom for some time.

The incident of the writer opening a consignment of Canadian confectionery after it had lain in a Dar-es-Salaam godown (warehouse) for nearly a year, and finding it—thanks to excellent packing—to be in almost perfect condition, has already been reported.

It is not felt as a general rule, however, that it would be possible to stock boxed chocolates at seacoast towns, such as Mombasa and Dar-es-Salaam. Even if such goods were tinfoiled, the heat and humidity would be bound to affect them within a short time.

As the buying power of the East African native improves, it is probable that a considerable market will be created for bulk confectionery of various types, but for the present, Nairobi and the Kenya highlands offer the only market in East Africa of any importance to Canadian confectionery exporters.

In so far as Mozambique and Angola are concerned, there is already a small sale of Canadian confectionery in Lourenco Marques, but no business of any importance in Beira. Nyasaland is not a possibility at present. There is, however, some business available in the Katanga, where there is a considerable sale of French bonbons and similar goods. The difficulty in connection with supplying that centre, however, is that it takes anywhere from ten days to three weeks for freight to reach Elizabethville from South African ports, and this circumstance introduces an element of considerable risk in importing perishable goods.

MEATS AND MEAT PRODUCTS

Imports of meats and meat products for the year 1926 were as follows:—

	Cwts.	£
Meat: Bacon and Ham—		
Kenya and Uganda	122	1,316
Tanganyika	423	4,406
Zanzibar	84	799
Nyasaland	429	2,288
Total	1,058	8,809
Meat: Tinned, Canned, or Otherwise Preserved—		
Kenya and Uganda	910	5,311
Tanganyika	186	1,479
Zanzibar	34	224
Nyasaland	152	659
Total	1,282	7,673

In an economic sense, the tsetse fly has set up insurmountable barriers between different territories in the African sub-Continent, and this barrier in the course of centuries resulted in diversified and localized populations, within a short distance of each other: one tribe would be pastoral, another agricultural, and perhaps a third dependent on the fish of the rivers for food. It is not unusual to find areas in Africa in which the population do not eat meat at all, and other territories where it only forms an incidental element in native diet. On the other hand, there are territories such as the Athi Plains, fly-free parts of the Rhodesias, and elsewhere, wherein meat remains to this day the chief food of the native population.

The reflex of this condition, of course, is that as communication is established between the various parts of Africa, large reservoirs of live stock are available for distribution throughout the sub-Continent. For instance, on the Athi Plains cattle are the sole form of wealth, and the Masai herds are numbered in millions. In the same way, there are incipient cattle industries in Angola and Northern Rhodesia. In contradistinction to wheat therefore, Africa below the Equator is self-contained in meat and any imports will only reflect specialized demands or a lack of distribution media.

The Katanga district in the Belgian Congo is the only territory in the sub-Continent which imports live stock for food purposes, and this situation is being remedied through the development of a local cattle industry. On account of the heat, great distances and primitive facilities, the tendency must always be for each African area to produce its own perishable foodstuffs; meats, of course, being no exception to that rule.

With reference to prepared meats, the only production of any importance is in Kenya, where one factory cures bacons and hams and preserves other meats in small quantities. This factory retains the Kenya and Uganda market for local supplies, but in order to do so, it requires no less than 10d. (20 cents) tariff protection. As a result, prices of bacons and hams have risen in Kenya from an average of 42 cents per pound in 1924 to 65 cents per pound at present, and other meats have kept pace with this increase. Both Tanganyika and Uganda are protestants against this extreme protection, and Tanganyika has lately refused to apply this duty to imports. It is, of course, obvious that none except the white population can afford preserved meats at such prices.

In Uganda, where the people have always been maize and banana eaters, there is very little meat of any kind sold. The coastal populations likewise are not reliant upon meat to any extent, as they have never been able to rear cattle along the littoral. In connection with the trading population (the Arabs, Indians, and Goanese), who, more than any other, teach the native new habits, it should be noted that the Indian, on account of his reverence for the cow, is not a meat user in any form.

In the Portuguese Colonies the natives could not buy meats if they were available, and the small imports are for the European population. The whole market therefore between the Rhodesias and the Equator is of no importance in so far as any meat product is concerned.

FISH

The imports of fish into the principal sub-Continental divisions during 1926 were as follows:—

	Cwts.	£
Fish: Salted, Pickled or Dried—		
Kenya and Uganda	6,670	9,419
Tanganyika	8,390	7,307
Zanzibar	12,826	10,588
Nyasaland	493	1,907
Total	28,379	29,221

Fish: Canned—	Cwts.	£
Kenya and Uganda	2,129	14,730
Tanganyika	533	3,591
Zanzibar	...	...
Nyasaland	493	1,907
Total	3,155	20,228

Fish is a much more important article of general African diet than meat. The Congo River and the hundred tributaries which drain its vast basin teem with fish. The coastal waters of both the Atlantic and Indian oceans, and the three great lakes (Victoria, Tanganyika, and Nyasa), are equally well stocked. Consequently all native peoples in these vicinities are accustomed to fish, and this circumstance presages development of the demand. It is interesting to note that in Upper Uganda, where the natives have been accustomed neither to fish nor to meat in the past, they will always accept cheap tinned fishstuffs eagerly, where they will not eat tinned meatstuffs.

For hundreds of years the dried and smoked fish trades have been carried on both on the East and the West Coast of Africa. The Atlantic trade has been fairly local, being based on the fishing grounds of the Gulf of Guinea. It is centred around the mouths of the Congo, the Niger, and the Gaboon. On the East Coast, however, the dhows have brought down dried fish from every port or roadside between the Persian Gulf and Zanzibar, and this trade continues to this day. As in the case of nearly every other Central African foodstuff, however, the market holds nothing for Canada at present, as the type of fish and its treatment are entirely different to any Canadian supplies.

It is interesting to see the Indian women in Dar-es-Salaam harbour catching sardines, or rather young herring, by the hundredweight, such fish being very similar to those obtainable in the Bay of Fundy. These small fish are fried in oil and then sold in all the bazaars of East Africa.

With reference to tinned fish, a large market undoubtedly exists in East and Central Africa, but it is dependent upon the offerings being sufficiently cheap to permit a very low-wage population to purchase. There is no prepared foodstuff to which the native will take more kindly than to various tinned fishes, and it is simply the problem of being able to supply a sufficiently small or cheap purchasing unit to fit his low buying power. It is stated that of late years a large English company has put a considerable quantity of tinned whale meat into British West Africa and adjoining territories, with considerable success. None was seen in East Africa, but a market undoubtedly exists there. Unfortunately such markets are largely inland, as by the sea ample supplies of fresh fish and dried are available; and the cost of inland transportation makes the imported article prohibitive in price. As an illustration, Canadian little fish in oil were quoted c.i.f. East African ports at under 4 cents per tin, which brought the fish within the natives' purchasing range. But unfortunately it costs another 4 cents to put that tin of sardines into Uganda, which is the most valuable market. This freight rate reduces the trade to small proportions, and until it is reduced there can be no great increase in the sale of tinned foodstuffs of any types.

FRUITS

The imports of prepared fruits and jams and jellies during 1926 were as follows:—

Fruit: Bottled, Canned or otherwise preserved—	Cwts.	£
Kenya and Uganda	3,612	15,800
Tanganyika	782	2,875
Zanzibar	105	407
Nyasaland	443	1,523
Total	4,942	20,605

Marmalades, Jams and Jellies—	Cwts.	£
Kenya and Uganda	1,804	7,918
Tanganyika	434	2,006
Zanzibar	...	...
Nyasaland	367	936
Total	2,605	10,860

The trade in fruits in every part of the sub-Continent will be restricted entirely to the white population. The native has neither the inclination nor the money to buy imported fruits. The prospects of business in such lines are therefore negligible.

In so far as fresh fruits are concerned, Kenya can probably absorb about 500 boxes of Canadian apples each year, and a start has already been made in this trade, the apples being transhipped at Durban. There is no other part of the sub-Continent where any other business of any importance need be anticipated. There is only one cold storage plant in East Africa, and the remainder of the territory can only absorb such supplies as can be consumed immediately. Moreover, in the case of the Kenya highlands, which is the centre of white population, the heavy inland freight charges which have been noted in connection with other foodstuffs are a deterrent to general importations.

With reference to bottled and tinned fruits, the Kenya trade reaches fair proportions. The business is divided between the United States, India, Great Britain, and the Union of South Africa, each supplying about one-quarter of the requirements. It is a widely distributed trade covering almost every type of tinned and prepared fruits. Standard American and British lines are on sale in all the principal centres at exceedingly high prices. The Indian imports are very largely candied and crystalized fruits. South Africa supplies a certain amount of tinned fruits, but deals more particularly in raisins and other dried fruit. In no other part of the sub-Continent is the trade of any particular importance, although a fair volume of South African tinned fruits go into the Katanga.

JAMS AND JELLIES

In marmalades, jams and jellies, Great Britain has practically the entire trade. These goods are largely imported through East African branches of London houses, and as the consuming population is entirely British, there is little prospect of ousting such supplies.

SUGAR

The imports of sugar into the principal territories during 1926 were as follows:—

Sugar: In Bulk and Jaggery—	Cwts.	£
Kenya and Uganda	18,945	19,779
Tanganyika	42,055	51,120
Zanzibar	70,746	68,867
Nyasaland	6,103	7,117
Total	137,849	146,883

These figures are deceptive in a number of ways. The Kenya and Uganda statistics cover a large quantity of sugars of Oriental type, such as jaggery and similar products. As a matter of fact, there is no refined sugar imported into Kenya whatsoever. That colony has its own sugar industry, with four small refineries attached to the cane mills. There is always a surplus of sugar in Kenya for export and the Tanganyika imports originate in her sister colony. As in the case of all other Kenya enterprises, the sugar industry receives marked support in the form of a protective duty of 12s. ($2.92) per 100 pounds. Moreover, it enjoys the advantage of preferential rail rates. The market for overseas sugars therefore is negligible, although curiously enough some Canadian refined sugars were seen in Mombasa.

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